8/12/85

Surveys of Consumer Attitudes

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CONFIDENCE MAINTAINED AT HIGH LEVELS

- In the July 1985 survey, the Index of Consumer Sentiment was 94.0, slightly below the 96.5 recorded one month earlier and the 96.6 recorded one year earlier. Discounted prices and reduced interest rates have maintained buying attitudes at record favorable levels.

- Among families with incomes of $25,000 or more, the Index was 102.6 in the July 1985 survey, down from 104.3 in June and 102.8 in July of 1984.

- Favorable attitudes toward buying conditions for homes and vehicles reached new record levels in the July 1985 survey. Among all families, 73 percent favorably rated home buying conditions, up from 52 percent one year earlier. Favorable attitudes toward vehicle purchases were held by 67 percent of all families in the July 1985 survey, above the 62 percent recorded one year earlier. Discounted prices and reduced interest rates were the primary factors underlying these very positive attitudes.

- The passage of tax reform legislation was expected by 46 percent of all families in the July 1985 survey, compared with 41 percent that did not expect passage of a tax simplification proposal. Prospects for passage have increased since the start of 1985, when respondents more frequently expected that a proposal would not be passed—48 versus 42 percent. The majority of respondents, in the most recent survey and at the start of 1985, thought that this tax legislation would leave their net financial situation unchanged.

- The majority of consumers thought that the economy had improved during the past year (56 percent), the majority expected the economy's performance to remain the same as now during the year ahead (57 percent), and the majority expected that this would mean the continuation of good times financially in the economy as a whole (58 percent).

- The aggregate unemployment rate was expected to remain at its current level during the year ahead by the majority of respondents in the July 1985 survey (58 percent). Increases in the unemployment rate were expected almost twice as frequently as declines in the July 1985 survey (27 versus 14 percent), the reverse of the balance of opinion recorded one year earlier (19 versus 26 percent). Future job prospects represent the most important concern voiced by consumers with the expected continuation of slow economic growth.

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The persistence of consumer sentiment at very favorable levels points toward the maintenance of consumer sales at high levels through the start of 1986. Recent declines in interest rates on vehicle and mortgage loans have reestablished buying attitudes to cyclical peak levels.

Monitoring Economic Change Program
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Favorable Buying Attitudes
Set New Record Levels

Favorable attitudes toward buying conditions for homes were held by 73 percent of all families in the July 1985 survey, the highest proportion recorded in more than 30 years. This represents a small improvement over the June figure of 67 percent which was the prior record high, and a substantial improvement over the 52 percent recorded one year earlier. Favorable references to home prices and mortgage interest rates were given in support of the favorable home buying attitudes. Among all families in the July 1985 survey, 22 percent referred to the availability of discounted home prices, up from 13 percent one year earlier. In comparison, just 11 percent of all families complained about high housing prices in the July 1985 survey. References to the current availability of reduced mortgage interest rates were made by 51 percent of all families in the July survey, the highest level ever recorded, and more than twice the 21 percent recorded one year earlier (see Table A).

Favorable attitudes toward buying conditions for cars were held by 67 percent of all families in the July 1985 survey, unchanged from the June reading, and just above the year earlier figure of 62 percent. Unfavorable attitudes toward car purchases fell to 23 percent in the July 1985 survey, from 26 percent one month earlier, and 28 percent one year earlier. On balance, the July 1985 survey recorded the most favorable attitudes toward buying conditions for cars in over 30 years. Price discounts and reduced interest rates were the primary factors behind these favorable views. Among all families in the July 1985 survey, 24 percent referred to the availability of price discounts on vehicles, while 33 percent mentioned the availability of reduced interest rates on vehicle loans.

The proportion of families that held favorable attitudes toward buying conditions for large household durables was 74 percent in the July 1985 survey, unchanged from one month earlier, and just below the peak of 77 percent recorded three months earlier. The availability of discounted prices on household durables continues to be the dominant factor supporting these

favorable views. Among all families in the July 1985 survey, 36 percent referred to the availability of discounted prices, compared with just 11 percent that registered complaints about high prices.

Tax Simplification

Repeating questions asked earlier in 1985, respondents were asked in the July survey whether they expected Congress to adopt reforms in the personal income tax codes, so as to eliminate deductions and lower tax rates. Among all families, 46 percent expected passage of this tax reform legislation, up from 42 percent at the start of the year (see Table B). Passage of the tax reform measure was not expected by 41 percent of all families in July, down from 48 percent at the start of 1985.

Respondents were also asked whether they expected to be better or worse off financially if Congress did enact this type of tax reform. The majority of families expected this type of simplification in the tax law to have no net effect on their financial situation in both the July (55 percent) and January-February 1985 (56 percent) surveys. An improved financial situation was expected by 18 percent of all families, just below the 20 percent that expected a worsened financial situation as a result of the tax reform. At the start of 1985 these two proportions were the exact reverse: 20 percent expected to be better off, while 18 percent expected to be worse off financially—an insignificant shift in opinion.

There were only small variations in these opinions among residents of the four major geographic regions (see Table C). In each region, passage of the tax simplification legislation was the most common expectation, except among residents of the North Central states. And the majority of families in each region expected the tax reform to leave their net financial situation unchanged. Residents of the North Central and Northeast were slightly more likely to expect the change in tax laws to worsen their financial situation (23 percent), compared with residents of the Southern (17 percent) and Western (18 percent) regions. Residents of the Southern region were

the most likely to expect the tax reform to improve their personal financial situation (21 percent), but this was only slightly more frequent than among residents of recorded in the other regions (17 percent).

Confidence in government economic policies to reduce inflation and unemployment was maintained at very favorable levels in the July 1985 survey. Among all families, 31 percent favorably rated government economic policies, more than twice the 14 percent that gave unfavorable ratings. The frequency of unfavorable ratings in the July 1985 survey (14 percent) is the lowest level recorded in more than a decade, and substantially below the peak of 50 percent that was recorded in November 1980.

Personal Finances

The personal financial situation of American families remained largely unchanged in the July 1985 survey from one month and one year earlier, despite slowing income growth. Among all families, 42 percent reported being better off financially, and 35 percent expected their financial situation to improve during the year ahead. Just 11 percent of all families expected financial reversals during the year ahead in the July 1985 survey.

The proportion of families in the July 1985 survey that expected income increases fell to 54 from 64 percent one year earlier. This decline in expected income growth has beer offset by lower expected rates of inflation. In the July 1985 survey, consumers expected the annual inflation rate to average 4.3% in the upcoming year, down from 4.5% in July 1984.

Business Conditions

Fewer consumers reported that the national economy had improved in the July 1985 survey than one year earlier—56 down from 67 percent. And fewer consumers expected the economy to improve during the year ahead—26 percent in July 1985, down from 32 percent one

year earlier. Although the slowdown in economic growth is widely anticipated to continue, few consumers expected the economy to slip into recession during the year ahead—14 percent.

The majority (58 percent) of consumers expected the aggregate unemployment rate to remain largely unchanged during the year ahead in the July 1985 survey. Twenty-seven percent of all families expected increases in the unemployment rate, while 14 percent expected declines. In contrast, one year ago, expected declines in unemployment were more frequent than expected increases by a margin of 26 to 19 percent.

Thirty-five percent of all families expected interest rates to increase in the July 1985 survey, down from 58 percent one year earlier. During the past year, the proportion that expected interest rate declines rose to 25 percent from 11 percent in July 1984. The most common expectation was that interest rates would remain unchanged at their current levels during the year ahead. This expectation of unchanged interest rates was held by 38 percent of all families in July 1985, up from 27 percent one year earlier.

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The July 1985 survey included 641 completed interviews, conducted between July 1 and July 31, 1985.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date	Durables		Houses[a]		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January 1980	1%	2%	na	na	1%	1%
February 1980	1	2	2	7	1	2
March 1980	1	4	na	na	1	2
April 1980	*	3	*	3	3	1
May 1980	*	2	3	3	*	1
June 1980	2	1	14	2	2	1
July 1980	4	1	17	6	2	1
August 1980	3	2	19	9	3	1
September 1980	1	2	11	11	2	2
October 1980	1	3	6	10	1	2
November 1980	*	2	2	8	1	2
December 1980	1	2	1	5	2	2
January 1981	*	2	1	3	4	1
February 1981	1	2	2	5	2	1
March 1981	1	*	1	4	1	1
April 1981	*	2	3	6	2	1
May 1981	1	2	4	3	3	1
June 1981	*	1	1	4	2	1
July 1981	1	1	2	4	2	1
August 1981	2	1	3	5	4	1
September 1981	*	1	3	3	4	2
October 1981	*	1	1	3	4	*
November 1981	1	1	2	2	5	*
December 1981	1	1	4	2	4	1
January 1982	2	1	5	3	4	2
February 1982	1	1	4	3	3	*
March 1982	*	1	3	2	3	*
April 1982	1	*	4	2	7	*
May 1982	2	1	3	3	10	1
June 1982	1	1	5	2	6	1
July 1982	1	1	2	2	4	1
August 1982	1	1	3	4	5	1
September 1982	3	1	16	4	9	1
October 1982	4	1	19	4	10	1
November 1982	5	*	25	5	19	1
December 1982	6	2	30	5	26	1

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS(Cont'd)

Survey Date	Durables		Houses[a]		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January 1983	7%	*	33%	4%	27%	2%
February 1983	7	1	35	5	34	1
March 1983	7	1	38	6	33	1
April 1983	12	2	46	8	38	2
May 1983	12	1	49	6	38	2
June 1983	13	3	49	12	38	2
July 1983	14	2	40	9	34	3
August 1983	11	1	33	11	30	3
September 1983	9	3	35	12	25	3
October 1983	6	1	29	9	17	2
November 1983	6	2	29	11	20	2
December 1983	6	1	30	11	16	3
January 1984	8	1	33	8	20	3
February 1984	9	2	38	12	19	3
March 1984	8	2	36	13	19	3
April 1984	8	6	29	23	15	7
May 1984	7	4	24	20	14	4
June 1984	7	4	21	17	12	6
July 1984	5	5	21	16	16	8
August 1984	6	2	22	13	12	5
September 1984	6	2	22	12	11	4
October 1984	7	4	24	11	10	4
November 1984	8	3	33	11	15	3
December 1984	8	2	32	6	12	3
January 1985	10	1	42	7	21	2
February 1985	9	2	42	8	23	1
March 1985	8	2	38	10	21	2
April 1985	10	3	34	13	22	3
May 1985	9	2	35	8	25	3
June 1985	11	2	50	6	32	3
July 1985	13	1	51	6	33	2

*Less than 0.5 percent.

[a]Also includes homes, home repairs and real estate.

NOTE: The proportions given above provide greater detail than is reported in the monthly tables (see Tables 27, 29 and 31). The monthly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to buying-in-advance of rising interest rates.

TABLE B

TAX REFORM PROPOSAL: EXPECTED PASSAGE AND IMPACT ON PERSONAL FINANCES

	Jan – Feb 1985	July 1985
Expect Congress to make changes in Tax Laws:		
Yes	42%	46%
No	48	41
Don't know	6	9
NA	4	4
Total	100%	100%
Cases	1295	641
Expected Impact on Personal Finances		
Better off	20%	18%
Same; no difference	56	55
Worse off	18	20
Don't know	3	3
NA	3	4
Total	100%	100%
Cases	1295	641

TABLE C

TAX REFORM PROPOSAL: EXPECTED PASSAGE AND IMPACT ON PERSONAL FINANCES BY REGION

JULY 1985

	West	North Central	Northeast	South
Expect Congress to make changes in Tax Laws:				
Yes	47%	40%	45%	51%
No	37	46	39	39
Don't know	12	10	6	8
NA	4	4	10	2
Total	100%	100%	100%	100%
Cases	146	182	112	201
Expected Impact on Personal Finances				
Better off	16%	17%	17%	21%
Same; no difference	58	54	49	57
Worse off	18	23	23	17
Don't know	4	3	1	3
NA	4	3	10	2
Total	100%	100%	100%	100%
Cases	146	182	112	201

The questions were: "Lately there has been a lot of talk about changing the way federal income taxes are figured for individual taxpayers, so as to eliminate deductions and lower tax rates. Do you expect Congress to make this type of change in the tax laws?" and "Do you think that you (and your family living there) will be better off or worse off financially if Congress makes this change in the tax laws, or won't it make much difference to your financial situation?"

9/16/85

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SURVEYS OF CONSUMER ATTITUDES

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TABLES AND CHARTS

AUGUST 1985

The August 1985 survey is the 203rd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
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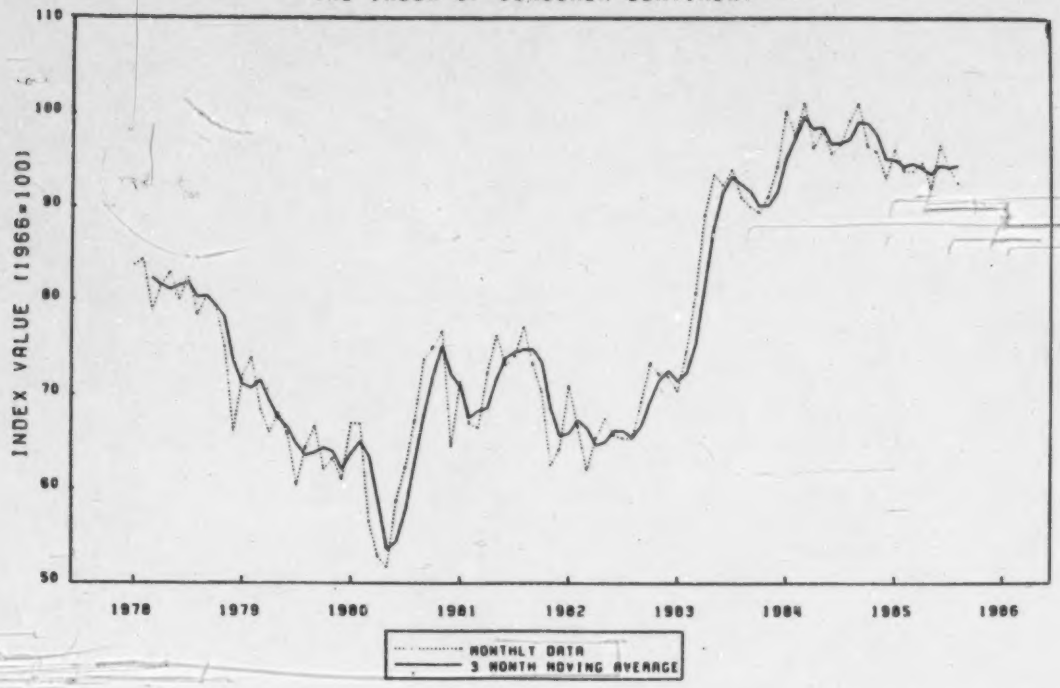

CHART 1 - HISTORICAL SERIES
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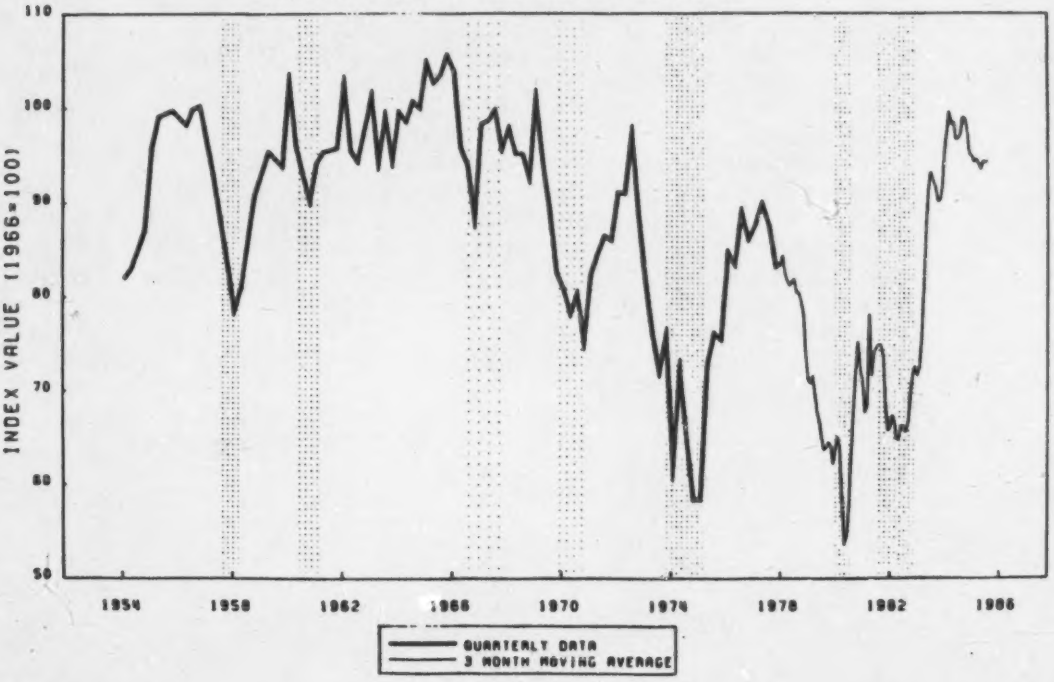


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
August 1982	65.4	71.0	73.6
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1
December 1982	71.9	78.0	80.5
January 1983	70.4	78.2	78.8
February 1983	74.6	79.9	81.3
March 1983	80.8	88.4	88.9
April 1983	89.1	97.1	99.0
May 1983	93.3	99.6	101.0
June 1983	92.2	101.2	102.5
July 1983	93.9	104.4	106.5
August 1983	90.9	101.2	103.5
September 1983	89.9	99.0	102.3
October 1983	89.3	99.5	101.9
November 1983	91.1	97.2	98.8
December 1983	94.2	101.7	104.5
January 1984	100.1	112.0	114.2
February 1984	97.4	109.6	111.2
March 1984	101.0	110.9	114.2
April 1984	96.1	103.9	105.5
May 1984	98.1	105.6	107.1
June 1984	95.5	104.4	104.5
July 1984	96.6	103.2	102.8
August 1984	99.1	106.7	109.2
September 1984	100.9	109.7	111.7
October 1984	96.3	106.2	107.7
November 1984	95.7	108.6	111.0
December 1984	92.9	99.2	100.1
January 1985	96.0	104.1	106.7
February 1985	93.7	105.4	107.4
March 1985	93.7	106.5	108.8
April 1985	94.6	102.8	107.9
May 1985	91.8	99.5	100.3
June 1985	96.5	101.2	104.3
July 1985	94.0	100.0	102.6
August 1985	92.4	99.4	104.1

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

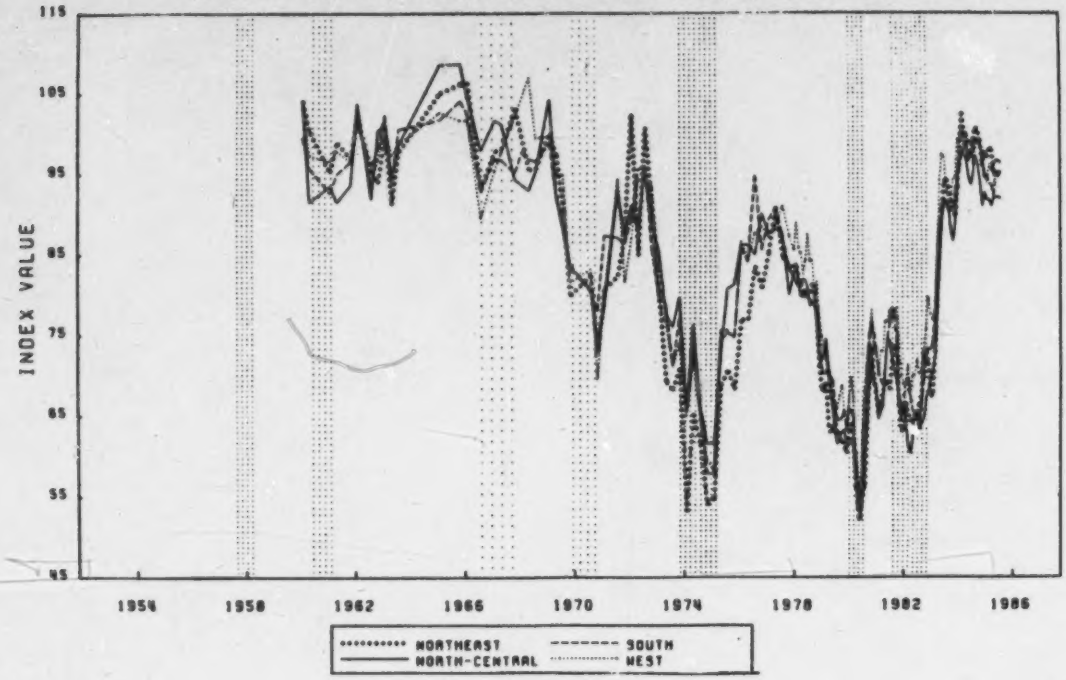


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

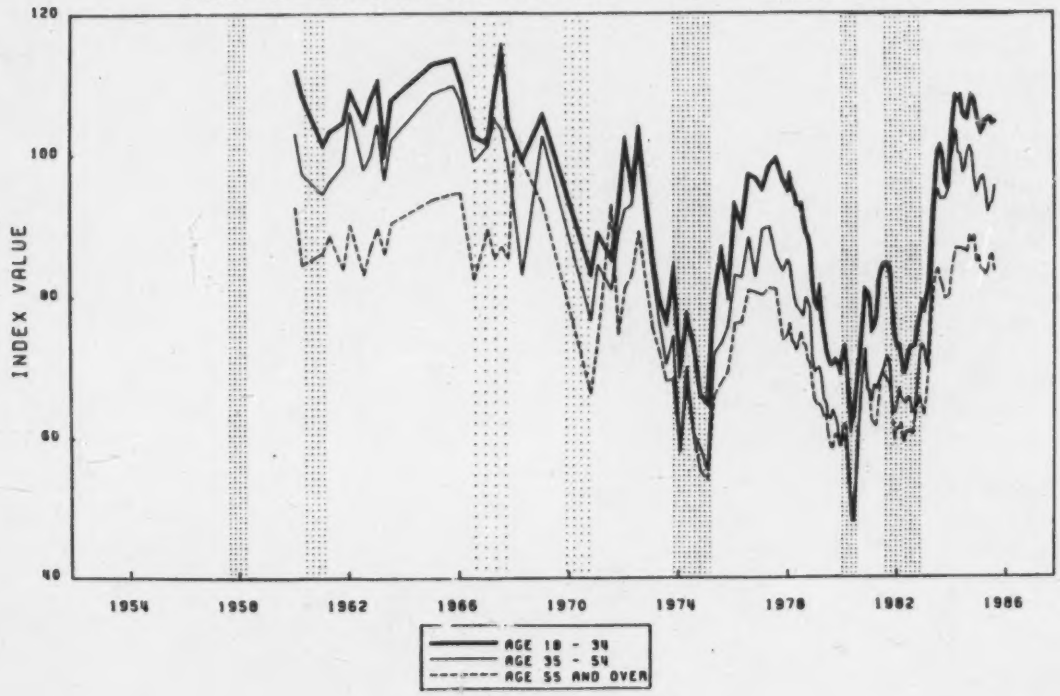


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
August 1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September 1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October 1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November 1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December 1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January 1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February 1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March 1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April 1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May 1983	86.3	90.7	93.3	102.7	97.2	97.1	84.9
June 1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July 1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August 1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September 1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October 1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November 1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December 1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8
January 1984	100.7	96.8	97.5	107.5	107.9	106.0	87.4
February 1984	102.3	98.4	93.5	97.1	106.2	98.9	86.5
March 1984	104.8	98.5	102.1	97.5	109.9	105.2	86.6
April 1984	92.5	95.3	98.2	99.3	106.5	95.9	87.0
May 1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June 1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July 1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August 1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September 1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October 1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November 1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December 1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January 1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March 1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April 1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May 1985	88.7	94.0	91.9	91.3	103.2	87.9	84.6
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July 1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August 1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

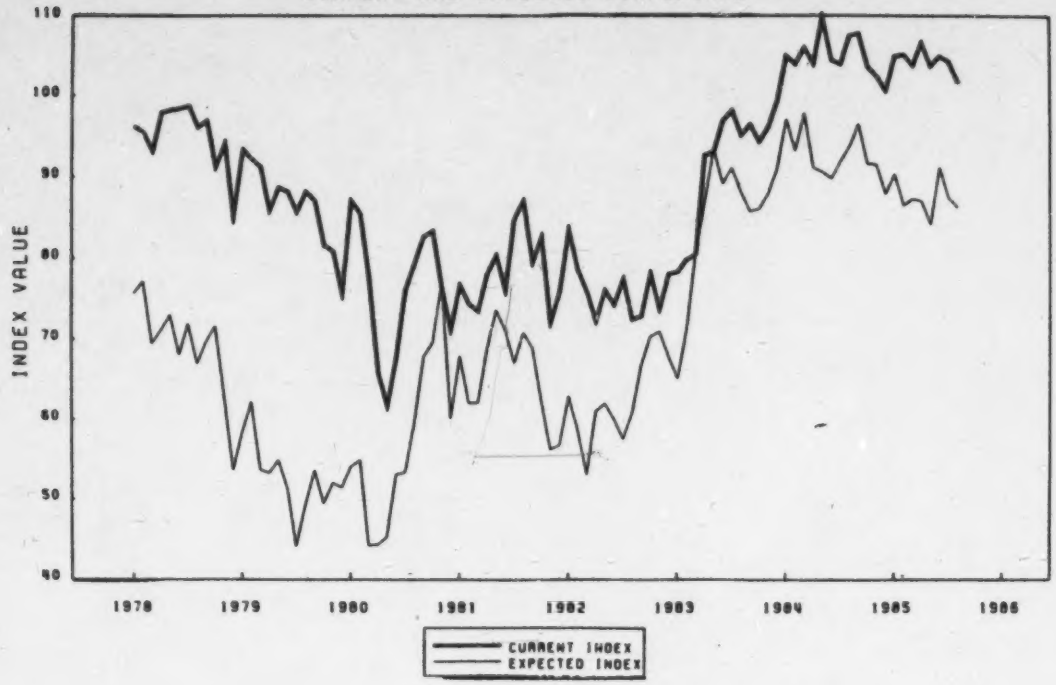


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

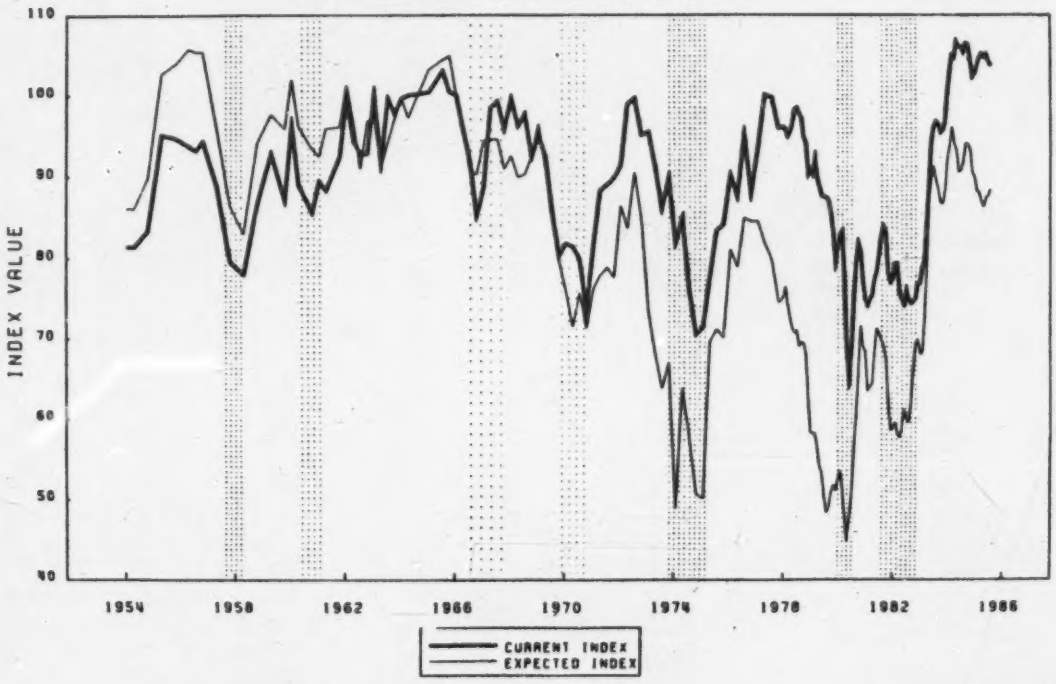


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0
January 1984	117	129	154	108	155	104.9	97.0
February 1984	119	130	139	106	151	103.9	93.2
March 1984	122	135	146	113	153	106.0	97.7
April 1984	117	124	136	106	153	103.9	91.1
May 1984	121	129	131	105	164	109.8	90.6
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

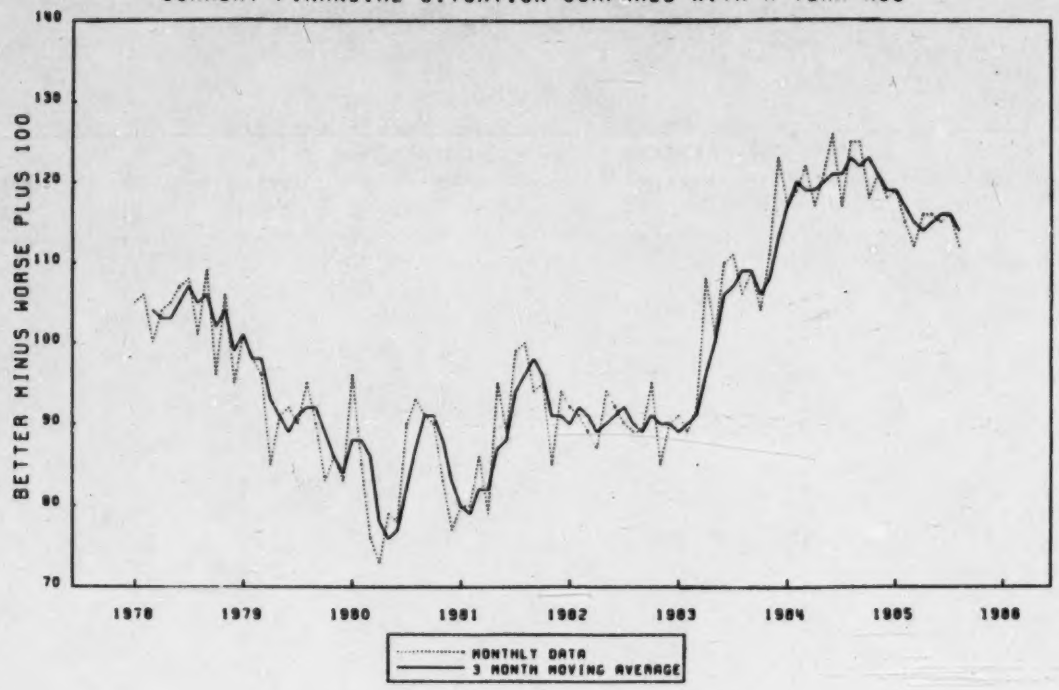


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

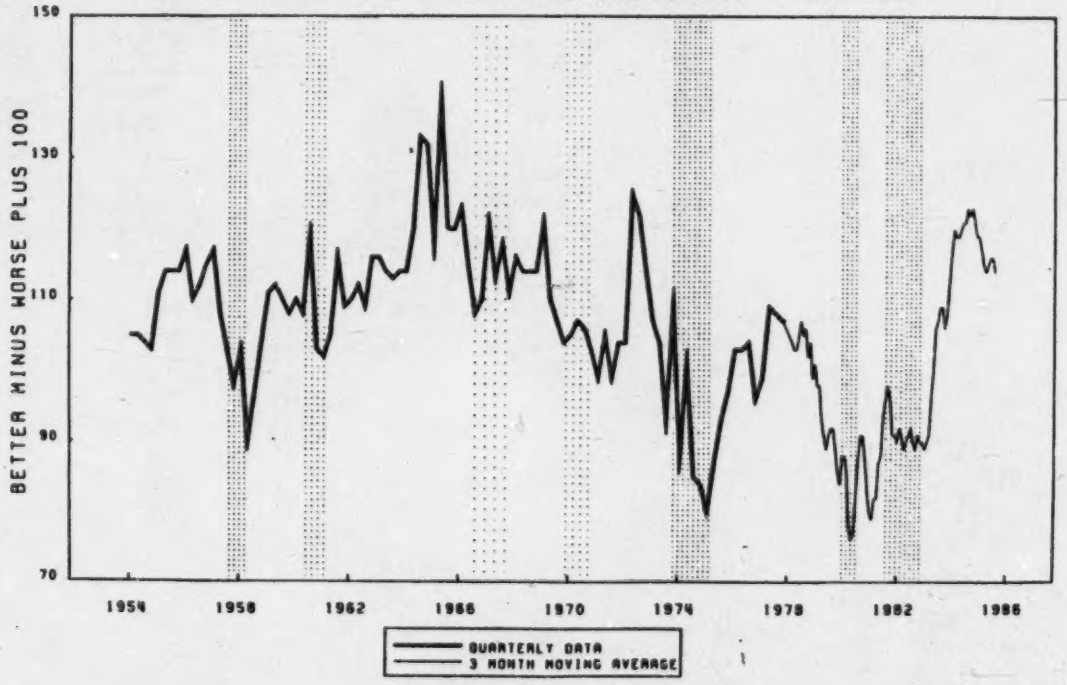


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
BETTER OFF	48%	45%	44%	46%	44%	42%	42%	40%	41%	40%	43%	42%	41%
SAME	29	35	30	29	30	35	31	32	34	36	29	32	29
WORSE OFF	23	20	26	25	26	23	27	28	25	24	28	26	29
DK,NA	*	*	*	*	*	*	*	*	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

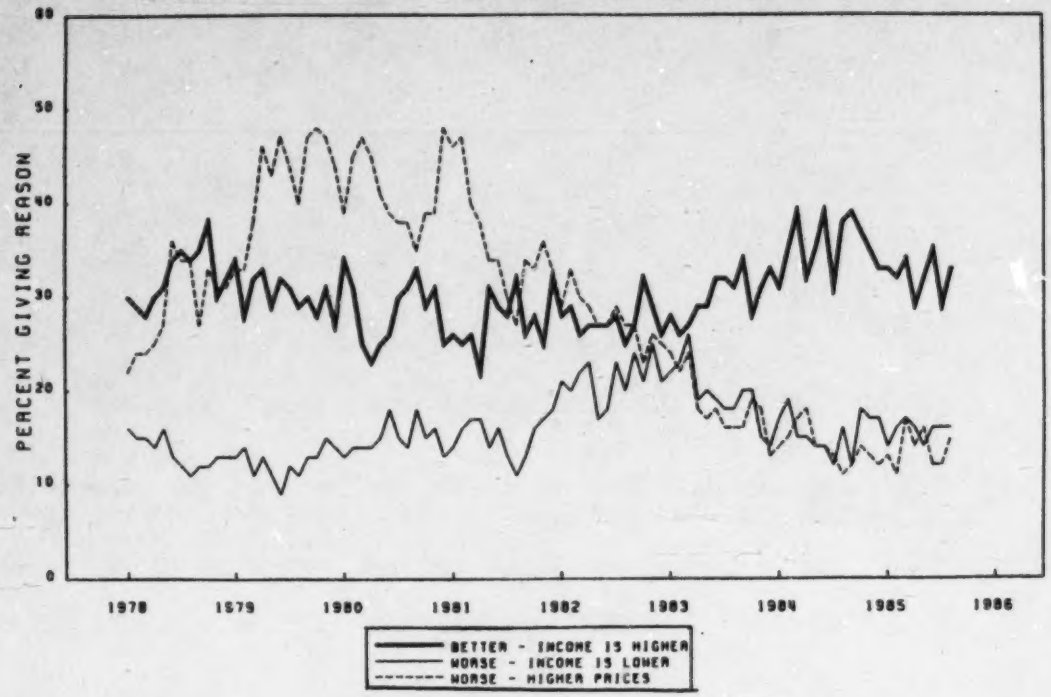


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

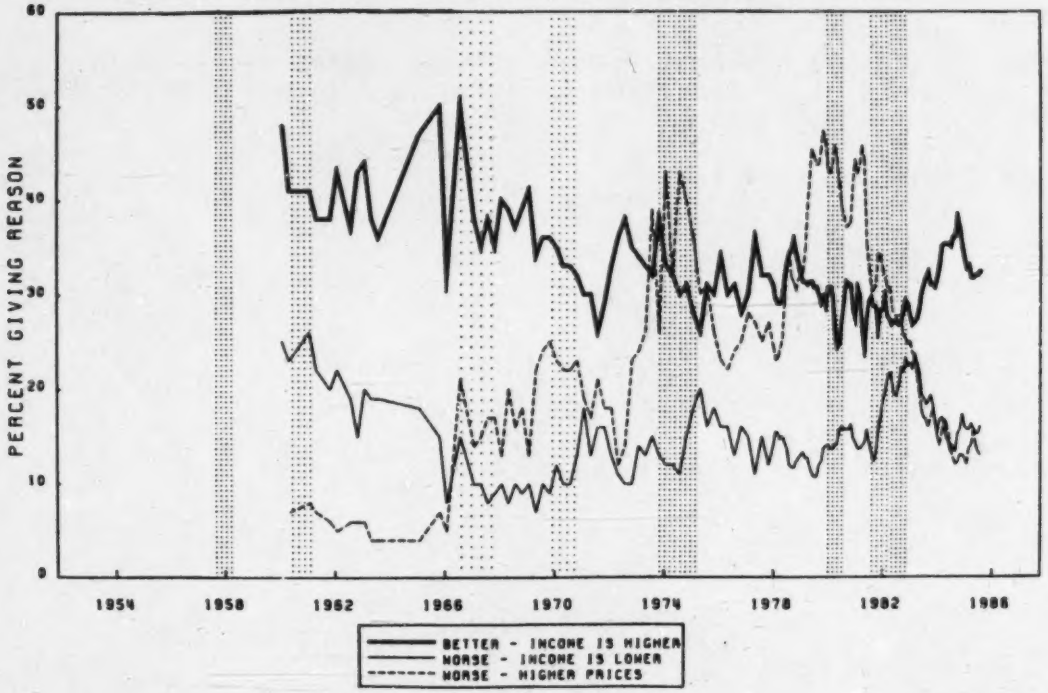


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
BETTER OFF THAN YEAR AGO:													
Income is higher	38%	39%	37%	35%	33%	33%	32%	34%	29%	32%	35%	29%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	12	18	17	17	14	16	17	16	14	16	16	16
Higher prices	11	12	14	13	12	13	11	17	14	16	12	12	15

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

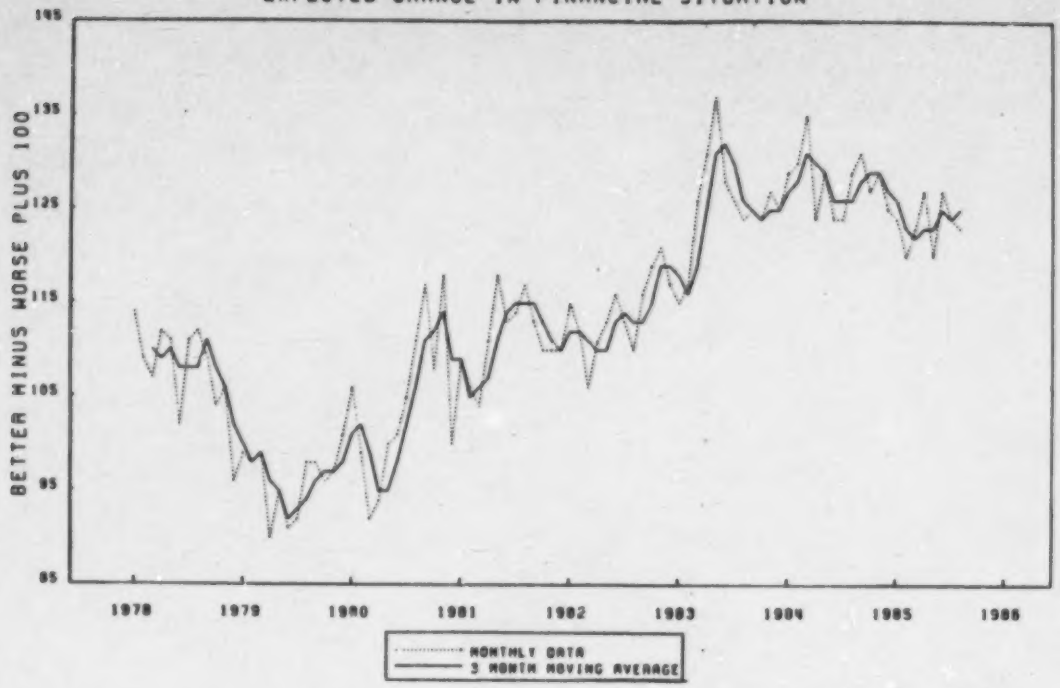


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

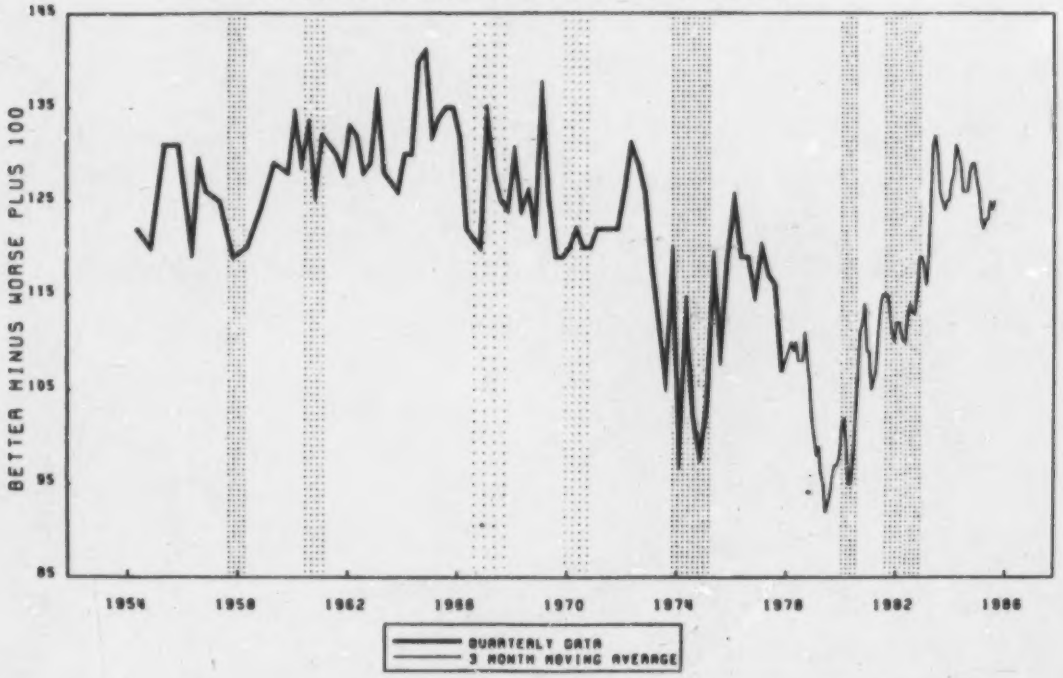


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
BETTER OFF	38%	39%	38%	39%	36%	35%	33%	36%	37%	34%	36%	35%	36%
SAME	49	49	47	48	50	52	50	49	49	49	52	51	48
WORSE OFF	9	8	11	10	11	11	13	13	10	14	9	11	13
DK,NA	4	4	4	3	3	2	4	2	4	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

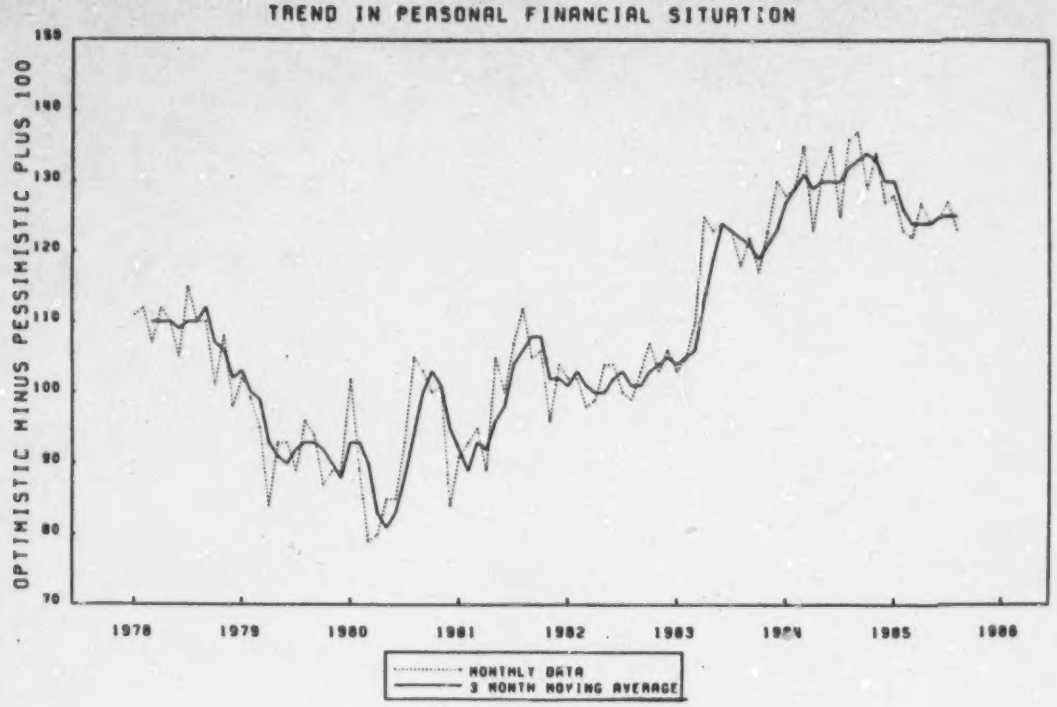


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

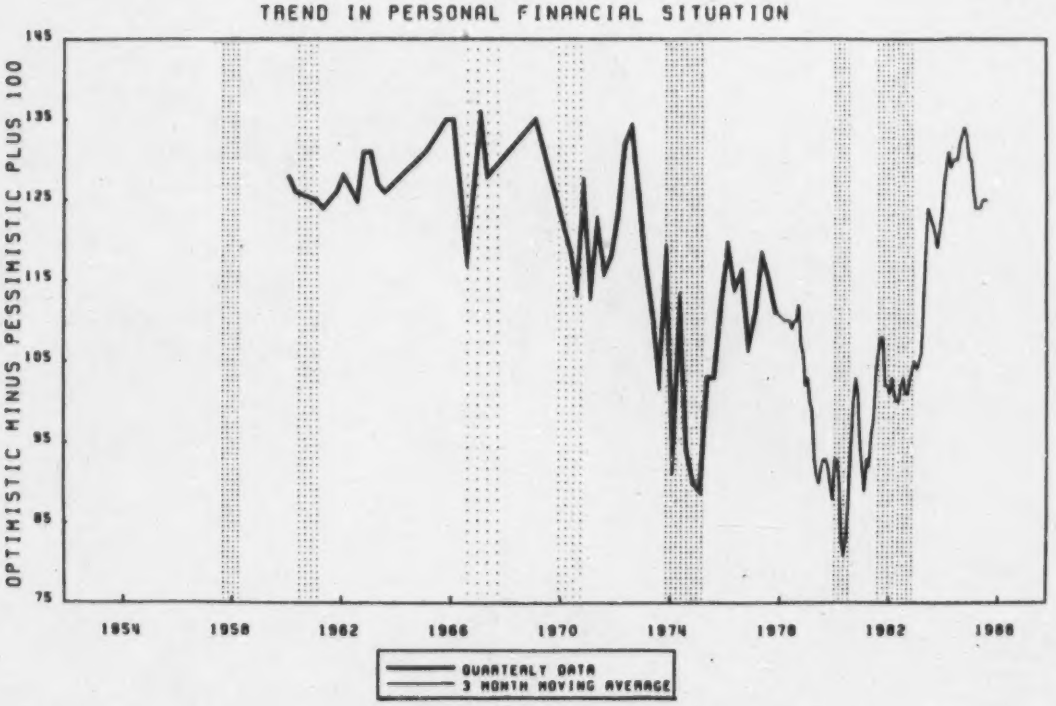


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	24%	25%	21%	21%	23%	19%	20%	20%	22%	20%	22%	20%	19%
Intermittent increase (b)	30	28	28	32	25	28	24	26	26	26	25	26	25
Remain unchanged (c)	17	20	17	15	19	22	20	18	20	21	19	21	19
Intermittent decline (d)	13	12	15	14	15	15	15	18	16	16	17	13	14
Continuous decline (e)	5	4	5	5	6	4	6	6	5	6	5	6	7
Mixed change (f)	8	7	10	10	9	9	12	10	8	8	9	10	12
DK,NA	3	4	4	3	3	3	3	2	3	3	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

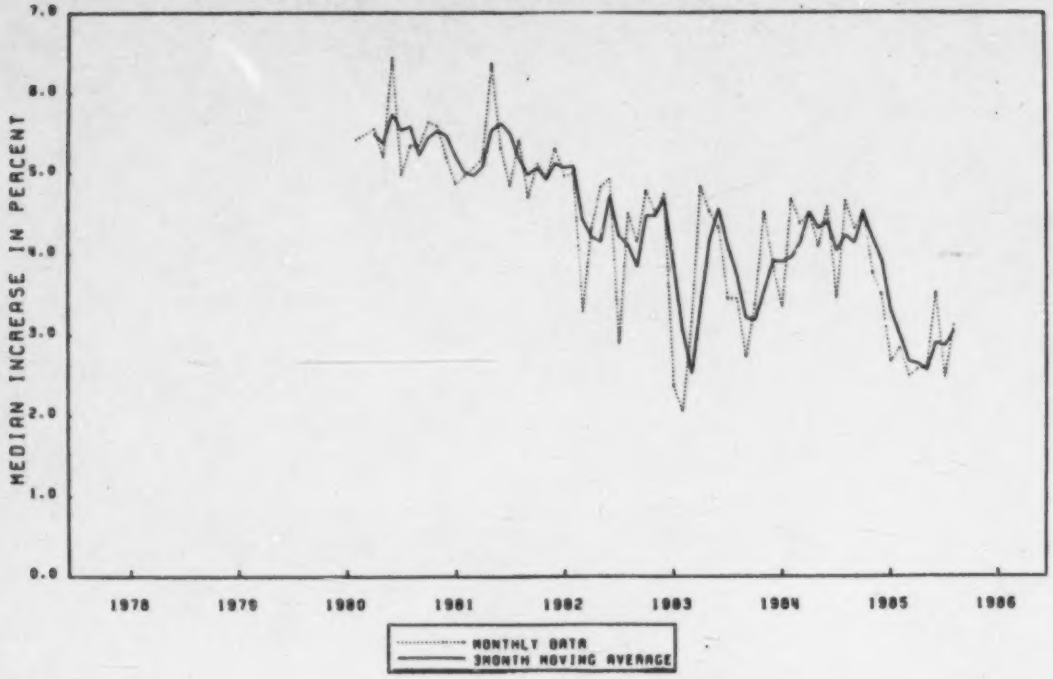


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

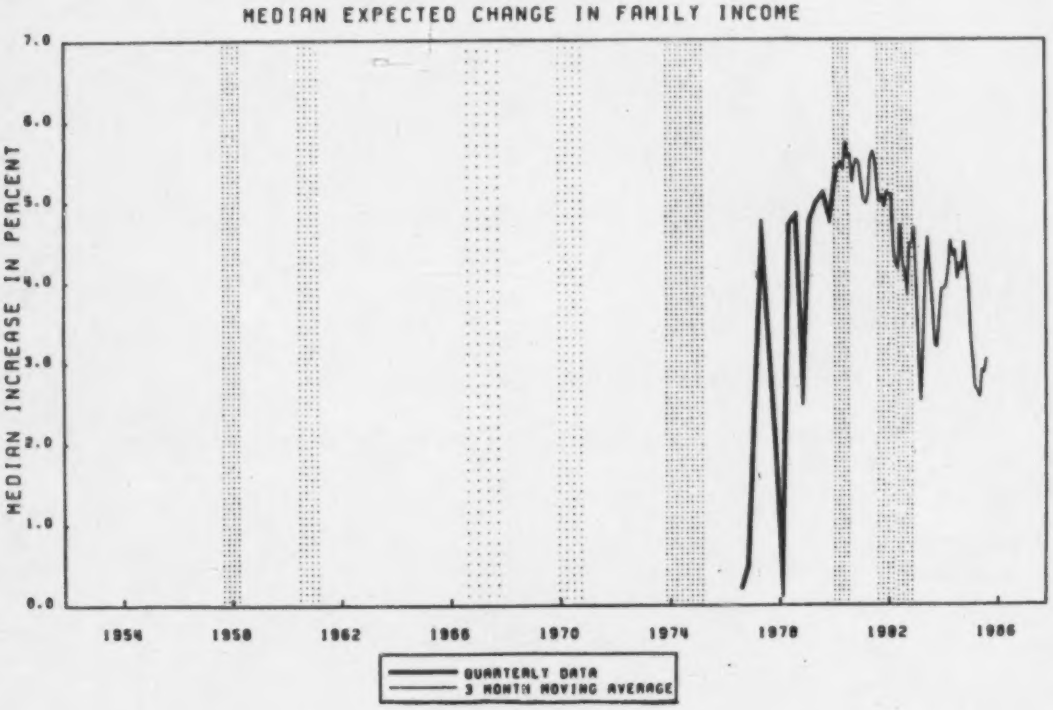


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
EXPECT INCREASE:													
1-4%	13%	15%	10%	13%	12%	12%	14%	12%	11%	16%	11%	13%	13%
5%	11	10	10	9	10	9	11	11	9	9	11	11	10
6-9%	11	10	8	7	8	9	6	7	7	5	7	7	8
10-24%	18	18	20	19	17	17	16	13	17	16	16	14	18
25% or more	7	7	8	8	7	6	7	8	8	7	10	6	5
DK how much up	3	4	5	6	7	3	3	4	3	4	4	3	3
EXPECT SAME	24	23	25	23	23	27	26	29	30	28	26	28	29
EXPECT DOWN	11	11	12	13	15	16	16	15	14	13	14	16	12
DK,NA	2	2	2	2	1	1	1	1	1	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

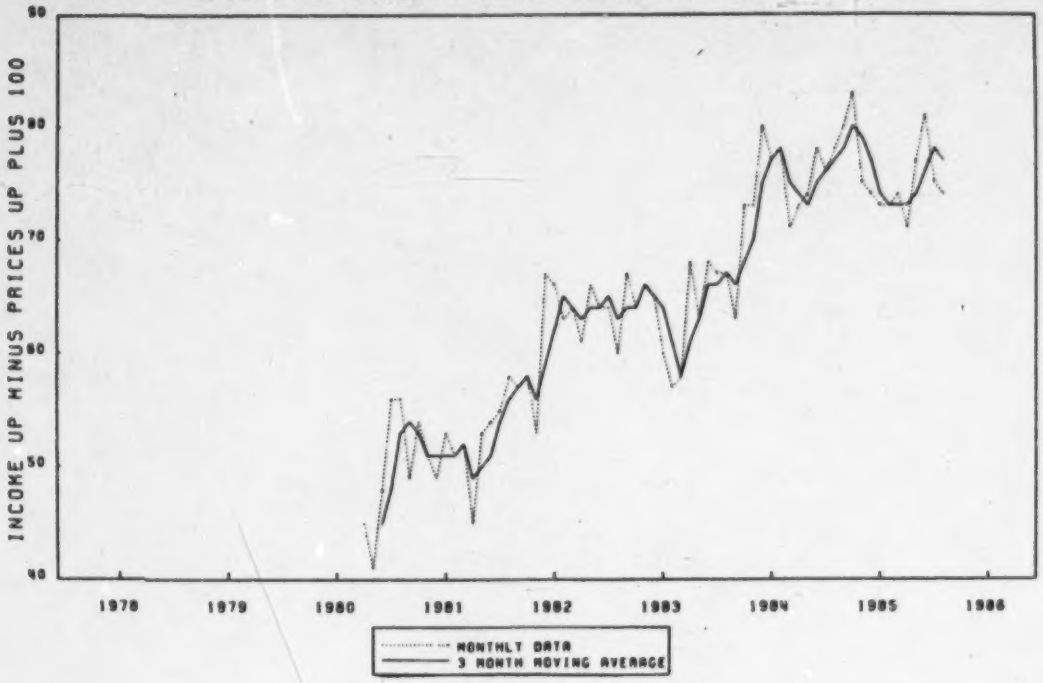


CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

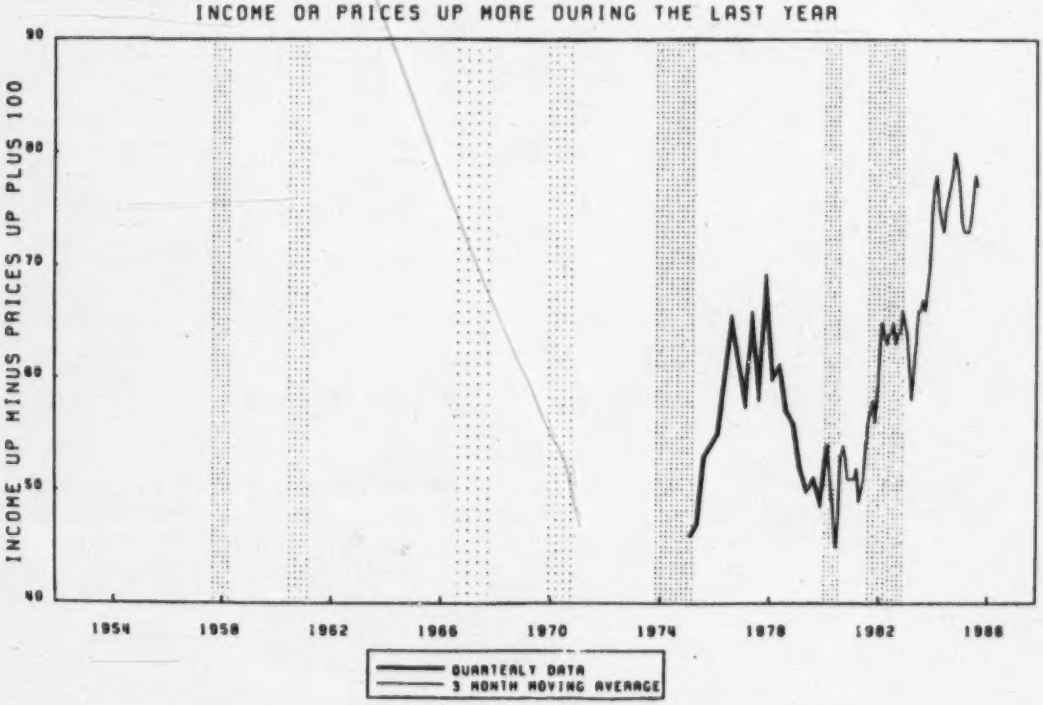


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
INCOME UP MORE	21%	22%	25%	21%	19%	16%	19%	19%	18%	22%	22%	19%	19%
INCOME UP SAME	34	36	31	31	35	40	34	35	34	32	35	36	34
PRICES UP MORE	43	42	42	46	45	43	46	45	47	45	41	44	45
DK,NA	2	*	2	2	1	1	1	1	1	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

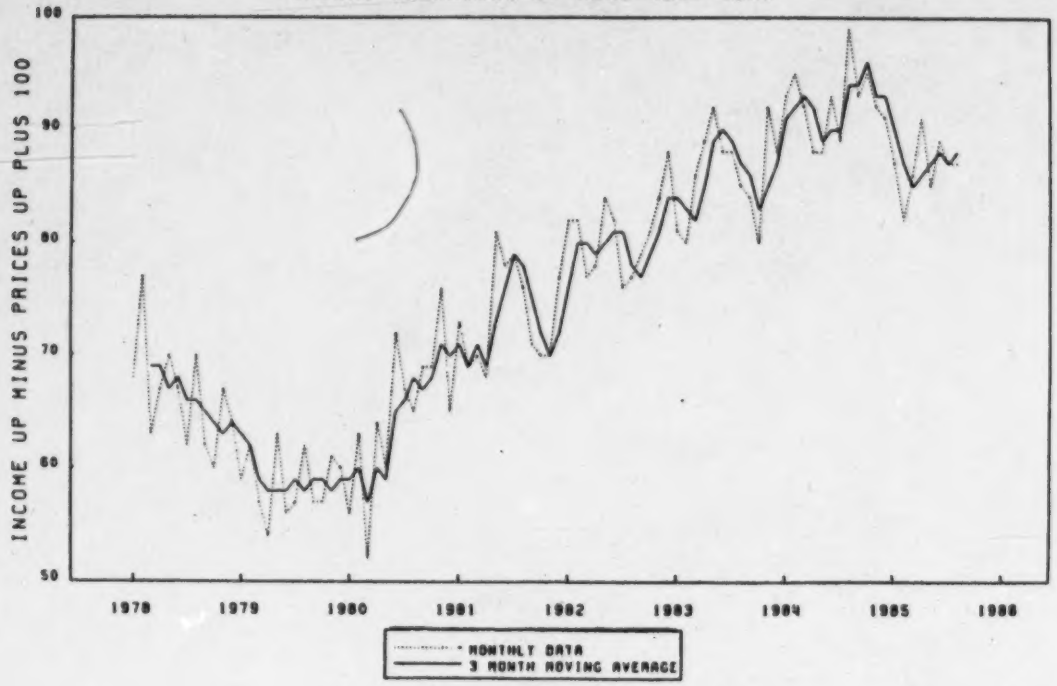


CHART 10 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

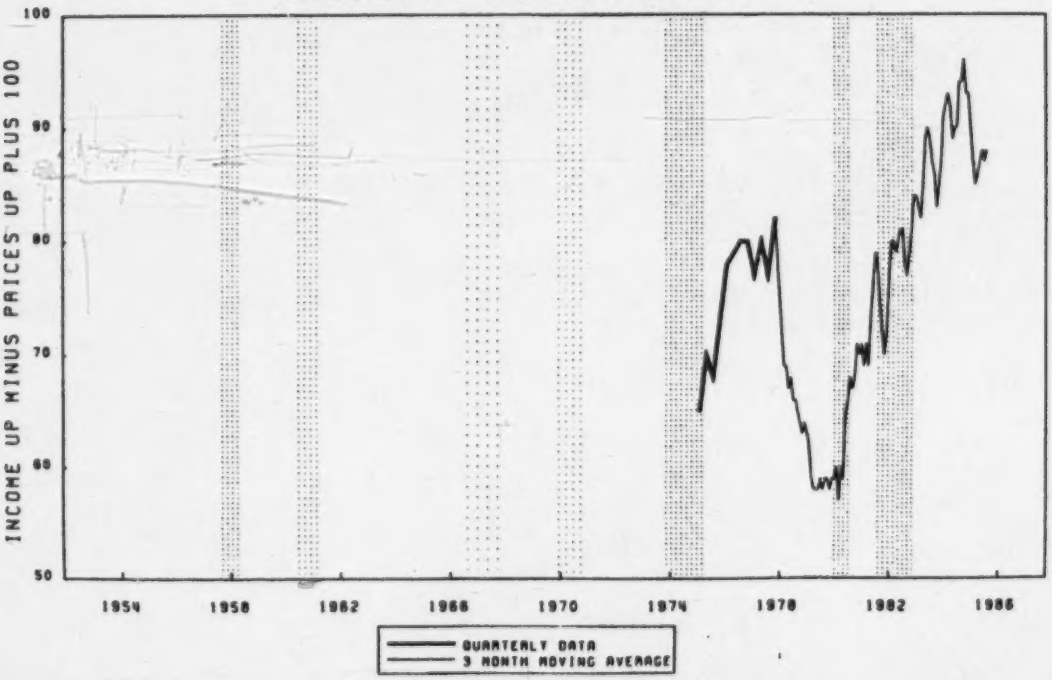


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
INCOME UP MORE	25%	23%	25%	23%	21%	20%	20%	18%	23%	22%	19%	19%	22%
INCOME UP SAME	45	44	43	44	46	45	40	49	42	39	48	47	40
PRICES UP MORE	26	30	30	31	30	33	38	32	32	37	30	32	35
DK,NA	4	3	2	2	3	2	2	1	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

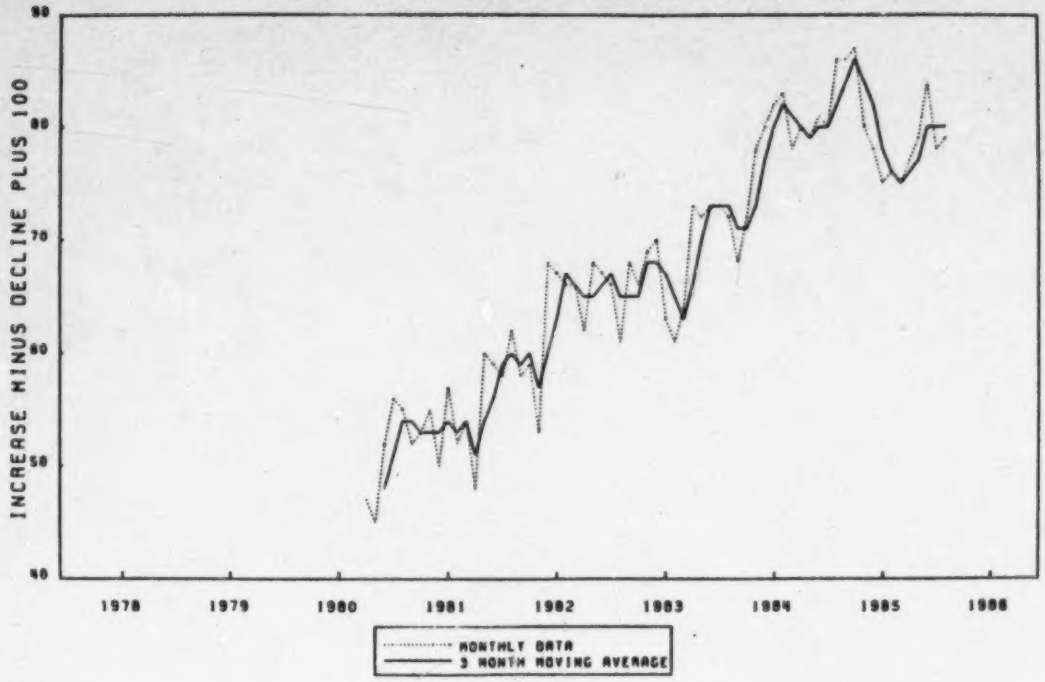


CHART 11 - HISTORICAL SERIES
TREND IN INCOME AND PRICE COMPARISON

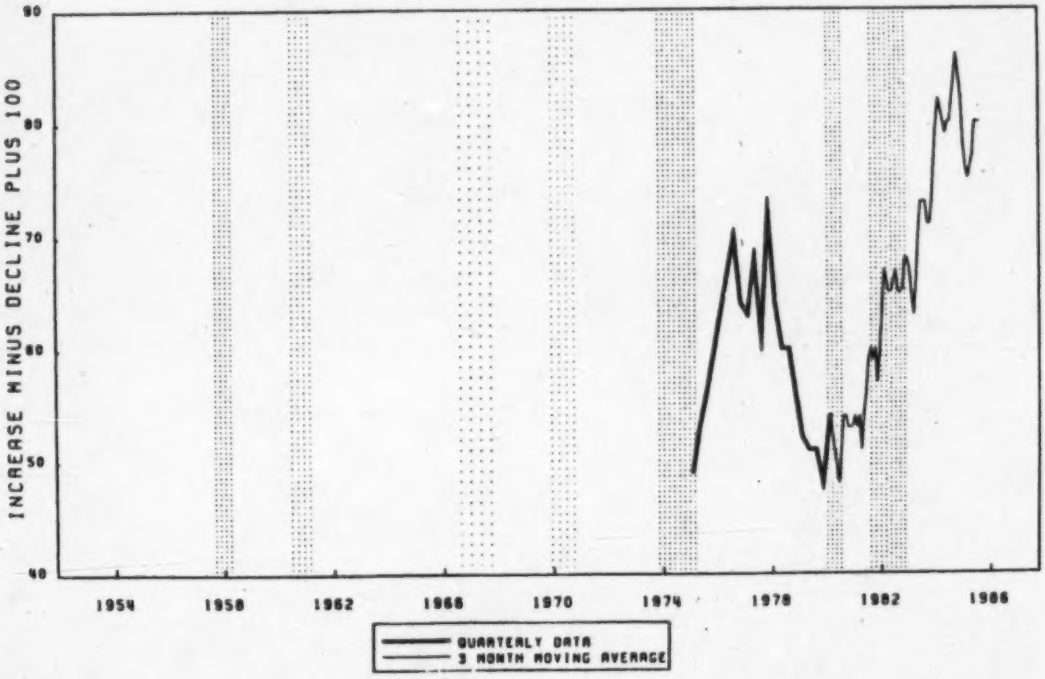


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
REAL INCOME PROGRESS:													
Continuous increase (a)	12%	12%	14%	12%	10%	8%	10%	9%	11%	12%	9%	8%	10%
Intermittent increase (b)	15	16	14	14	12	13	14	14	11	13	17	14	14
Remain unchanged (c)	21	22	20	19	23	24	20	23	22	20	22	24	20
Intermittent decline (d)	22	20	18	22	22	23	19	24	20	18	20	21	18
Continuous decline (e)	19	22	23	24	22	23	29	24	25	28	22	23	27
Mixed change (f)	6	5	7	6	8	6	6	4	7	7	6	7	8
DK,NA	5	3	4	3	3	3	2	2	4	2	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

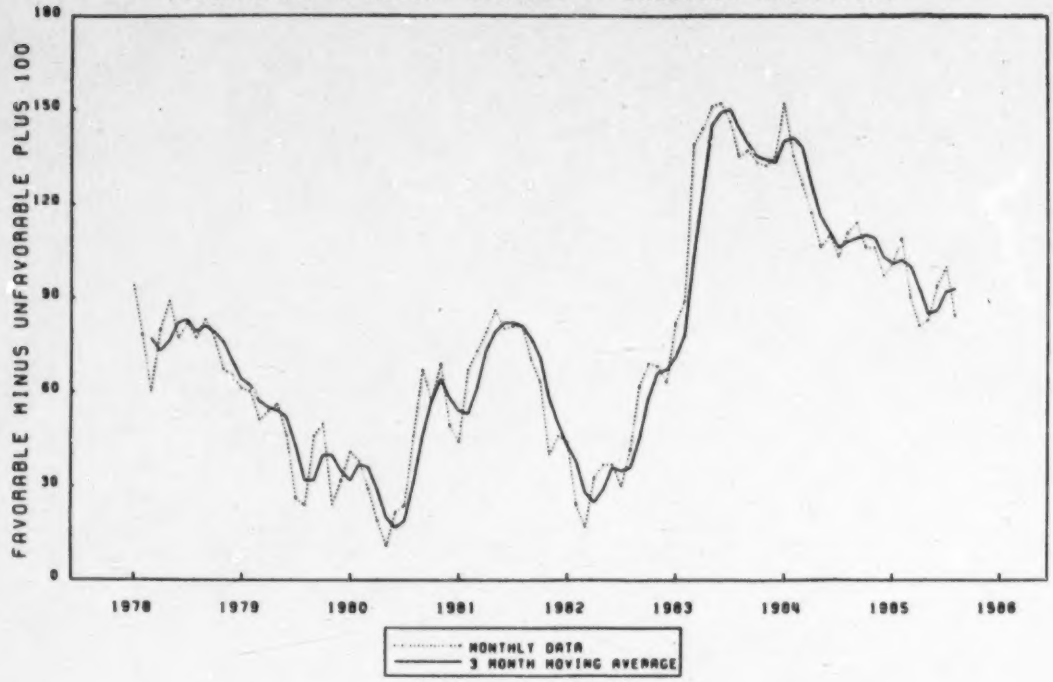


CHART12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

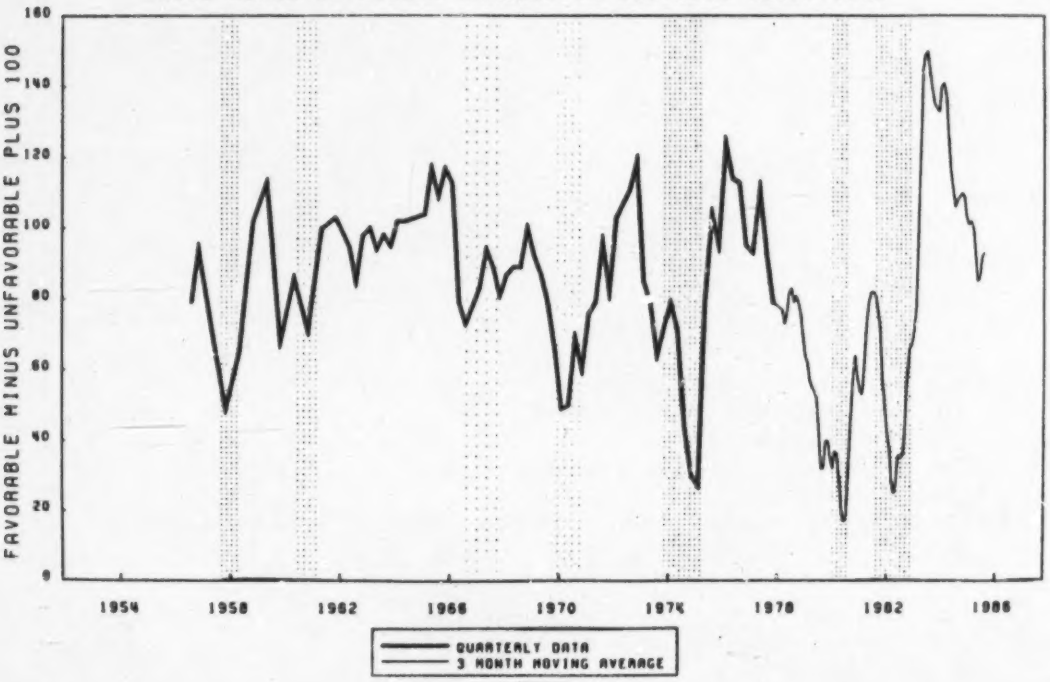


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
FAVORABLE NEWS	51%	52%	44%	41%	39%	43%	50%	35%	30%	30%	37%	40%	30%
UNFAVORABLE NEWS	40	38	38	35	42	42	41	45	49	47	43	40	46
NO MENTIONS	39	41	44	49	46	44	41	48	49	48	50	46	49

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

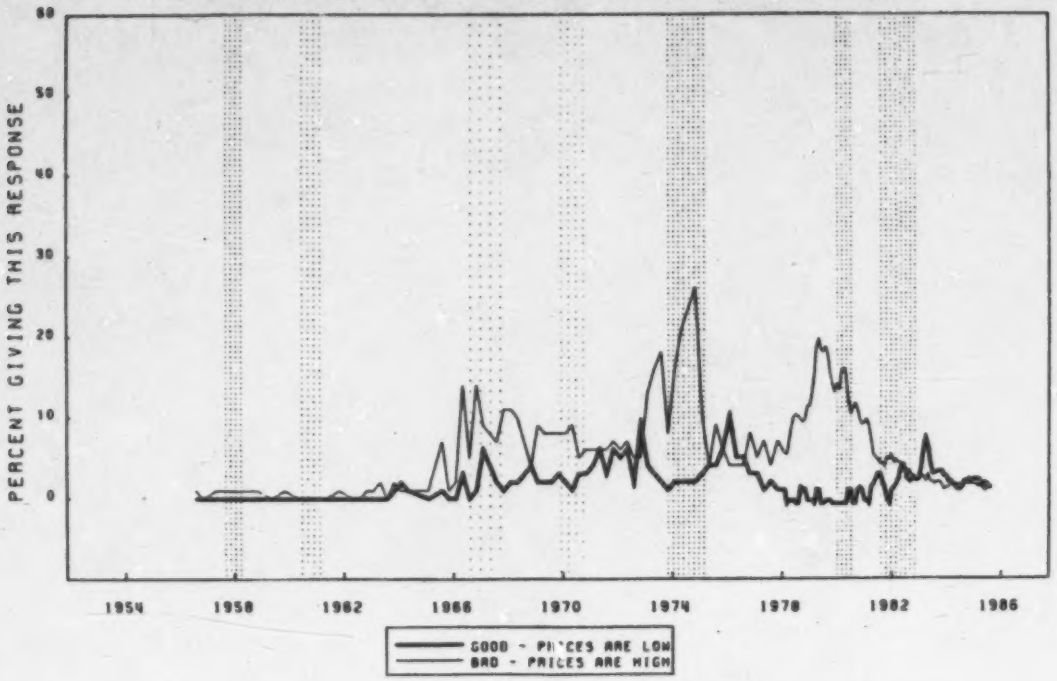


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

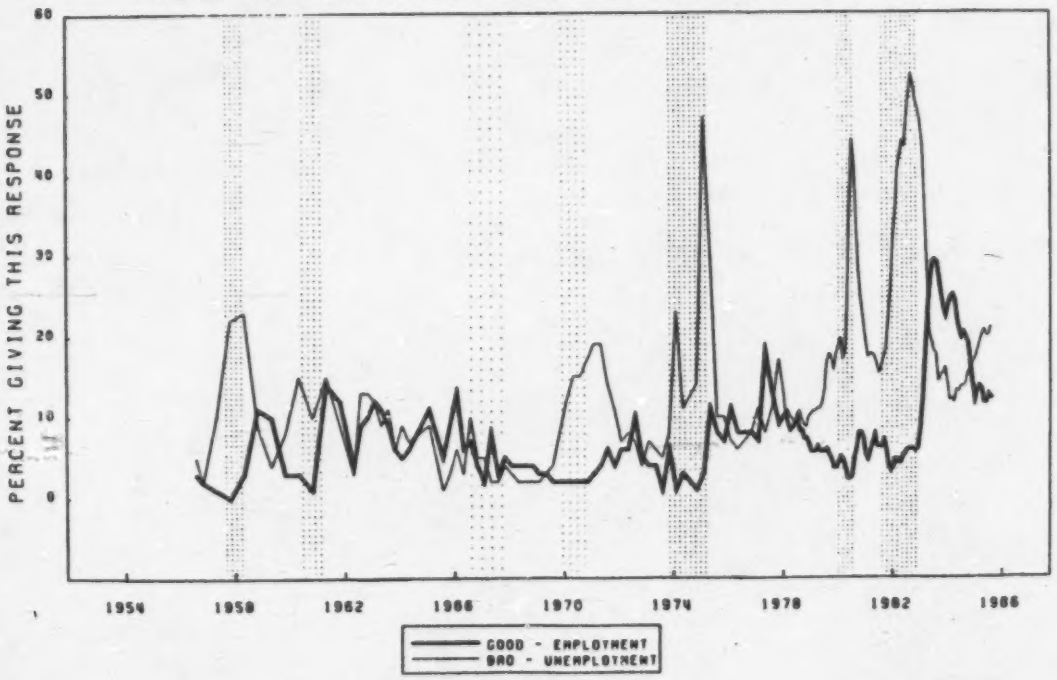


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
FAVORABLE NEWS:													
Government; elections	2%	3%	1%	2%	3%	4%	3%	2%	1%	2%	5%	2%	1%
Employment	20	19	18	13	11	12	17	12	11	12	12	14	11
Consumer demand high	7	7	5	4	5	5	5	5	3	3	4	3	2
Prices are low	2	3	1	3	2	2	3	2	1	1	1	2	1
Credit is easy	4	3	4	8	9	10	9	5	4	3	7	10	8
UNFAVORABLE NEWS:													
Government; elections	4	4	3	3	6	5	6	5	5	4	6	4	4
Unemployment	15	14	17	16	17	18	19	20	21	21	18	21	24
Consumer demand low	2	2	1	2	3	3	3	2	3	3	3	2	3
Prices are high	2	2	1	2	2	1	2	1	2	2	2	1	2
Credit is tight	9	6	5	3	2	2	1	2	2	2	1	1	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

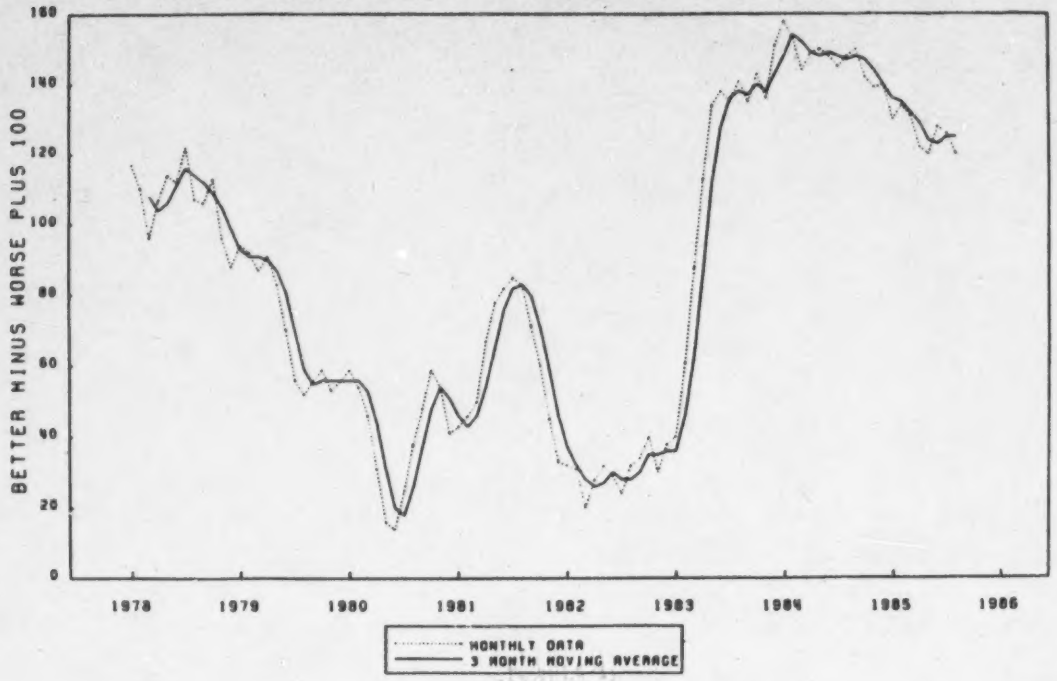


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

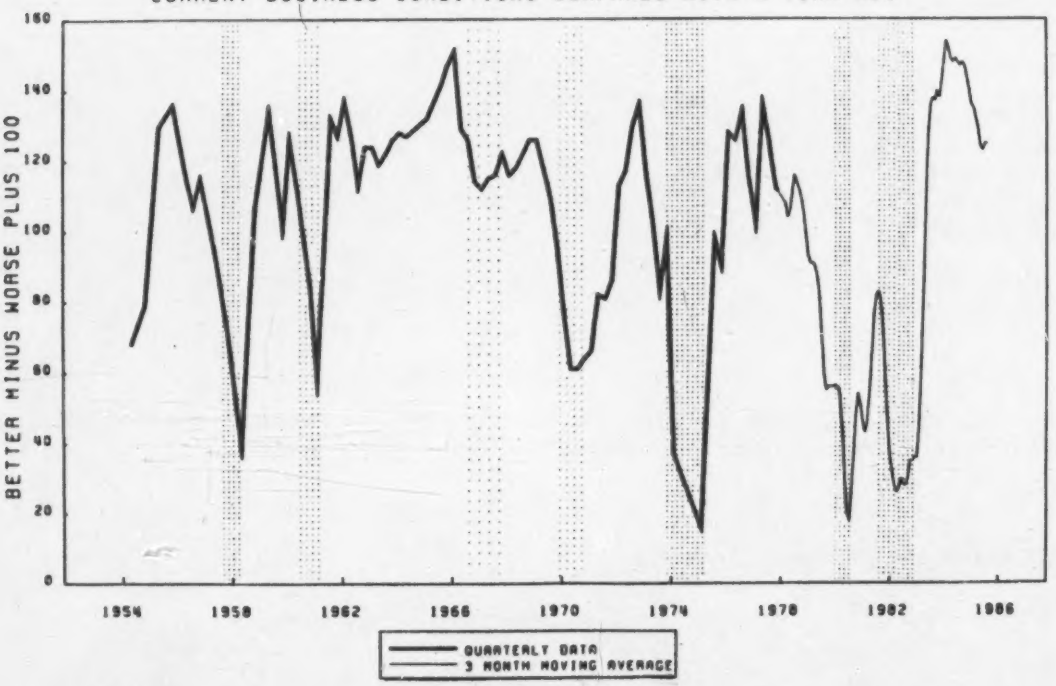


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
BETTER NOW	68%	68%	65%	63%	63%	57%	60%	57%	51%	53%	56%	56%	51%
SAME	11	12	10	12	13	14	12	15	17	13	14	13	16
WORSE NOW	20	18	23	24	23	27	26	26	29	33	28	30	31
DK,NA	1	2	2	1	1	2	2	2	3	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

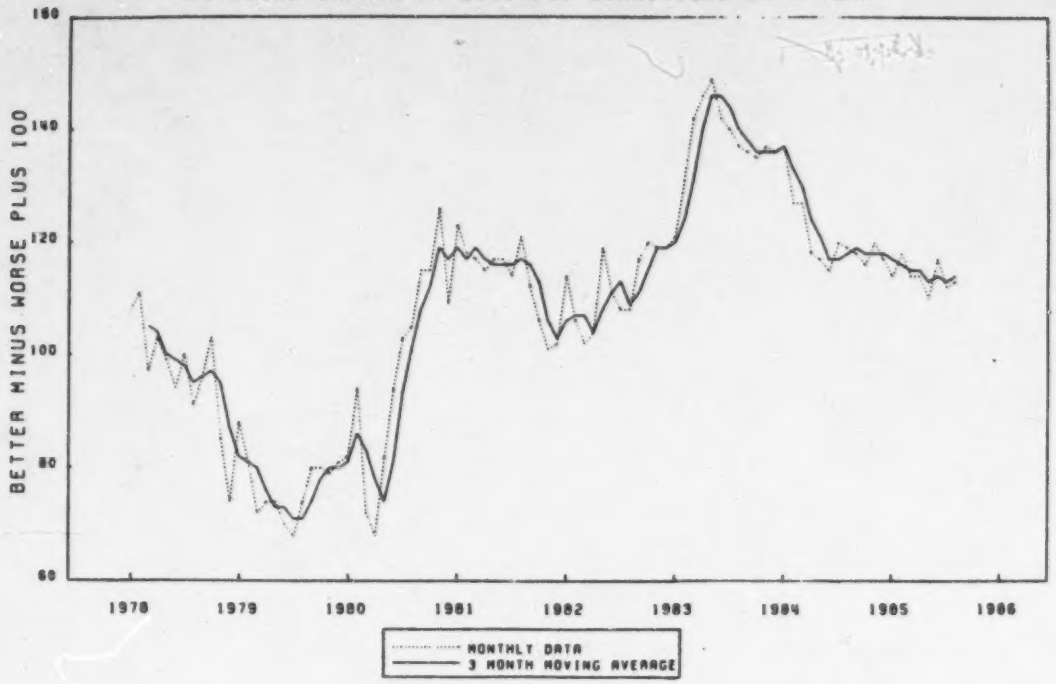


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

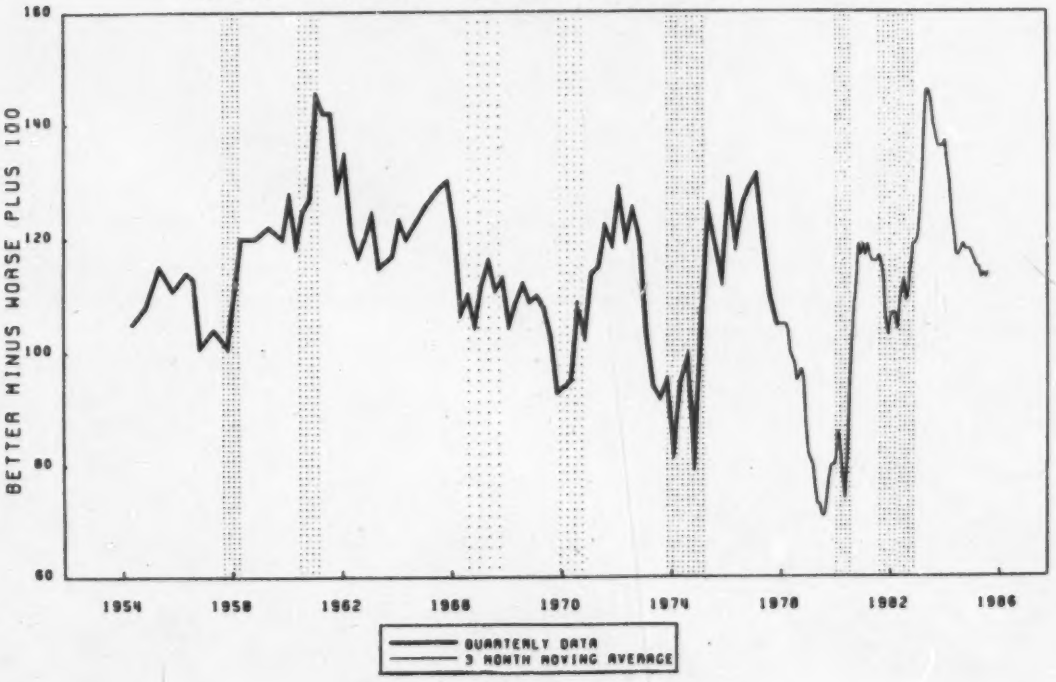


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
BETTER	33%	33%	32%	35%	33%	29%	33%	29%	29%	27%	29%	26%	27%
SAME	49	48	49	48	47	55	50	53	53	54	57	57	57
WORSE	14	15	16	15	16	15	15	15	15	17	12	14	14
DK,NA	4	4	3	2	4	1	2	3	3	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

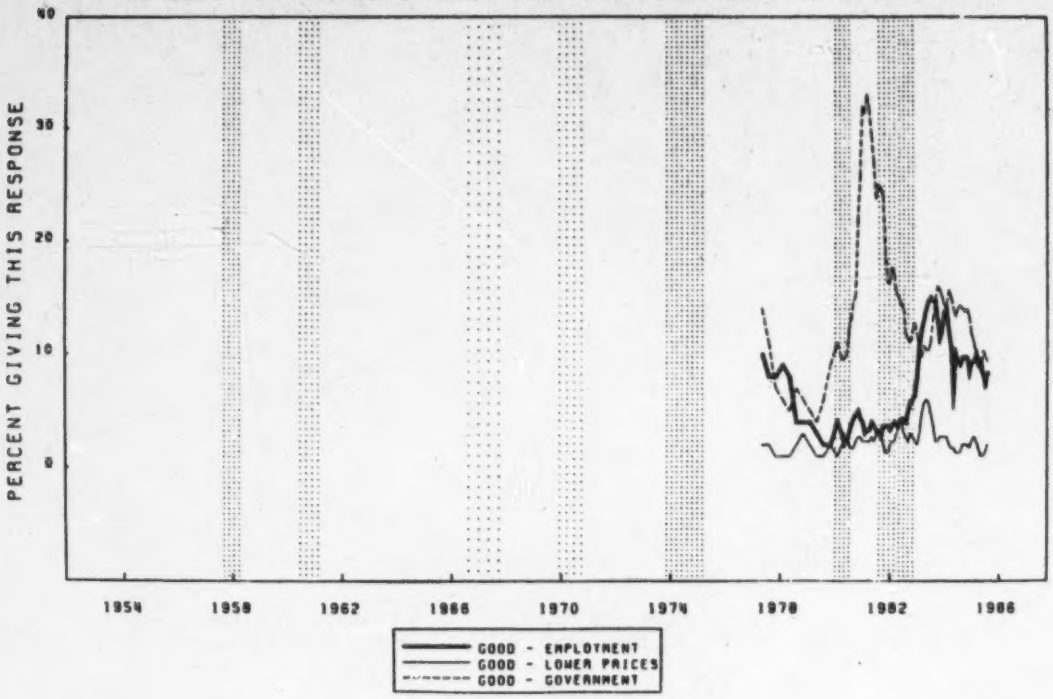


CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

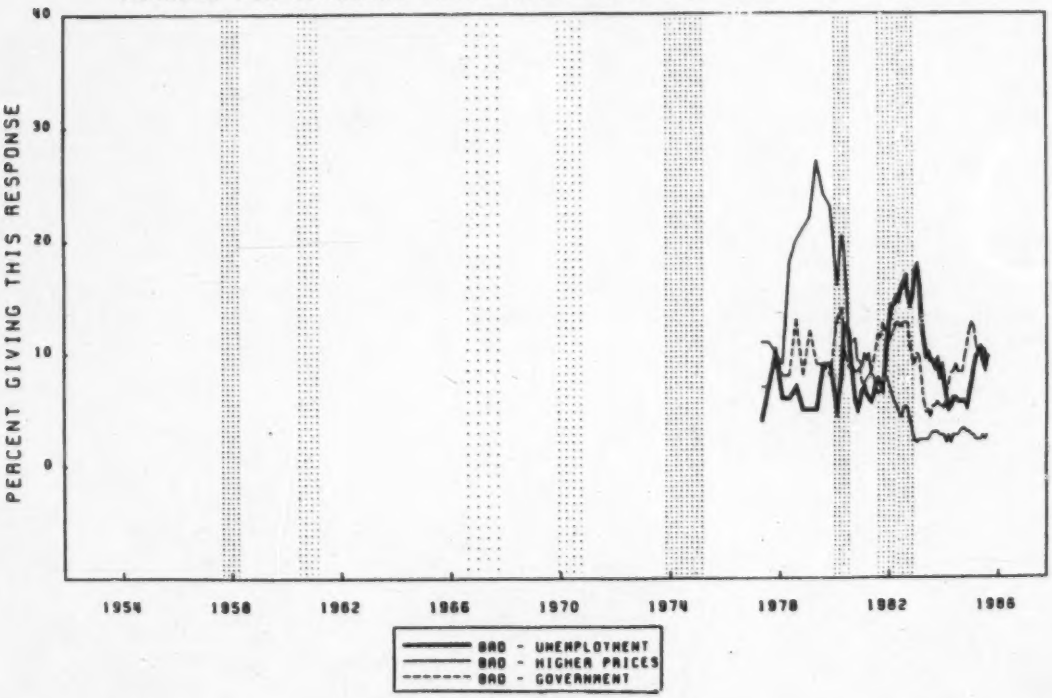


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
FAVORABLE REASONS:													
Government; elections	13%	14%	14%	14%	12%	9%	12%	8%	9%	8%	14%	7%	7%
Employment	8	12	9	8	8	12	8	10	9	9	7	6	12
Higher consumer demand	5	2	2	5	4	4	4	5	5	4	5	2	3
Lower prices	2	3	1	2	2	3	3	1	1	1	1	2	3
Easier credit	4	4	3	5	6	4	4	4	3	2	6	5	6
UNFAVORABLE REASONS:													
Government; elections	9	11	9	12	15	11	11	10	9	13	9	9	8
Unemployment	6	5	6	5	8	9	9	11	10	10	8	8	13
Lower consumer demand	3	2	2	3	4	2	2	4	4	4	2	2	2
Higher prices	4	3	3	3	3	2	3	2	2	3	3	1	4
Tighter credit	5	4	4	3	3	4	3	2	2	1	1	1	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

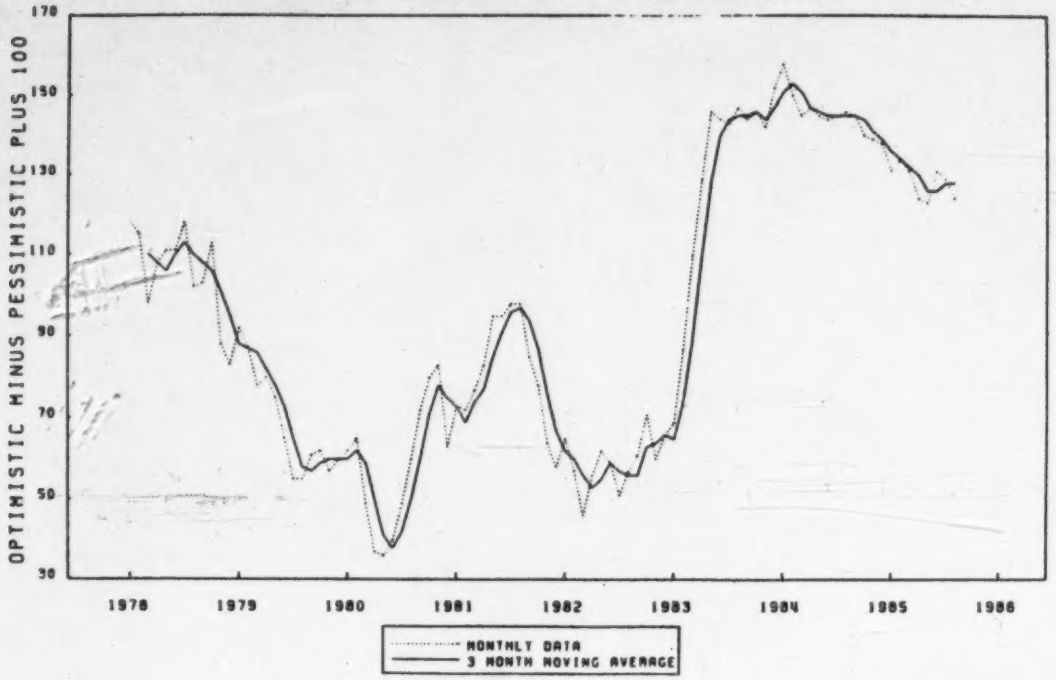


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

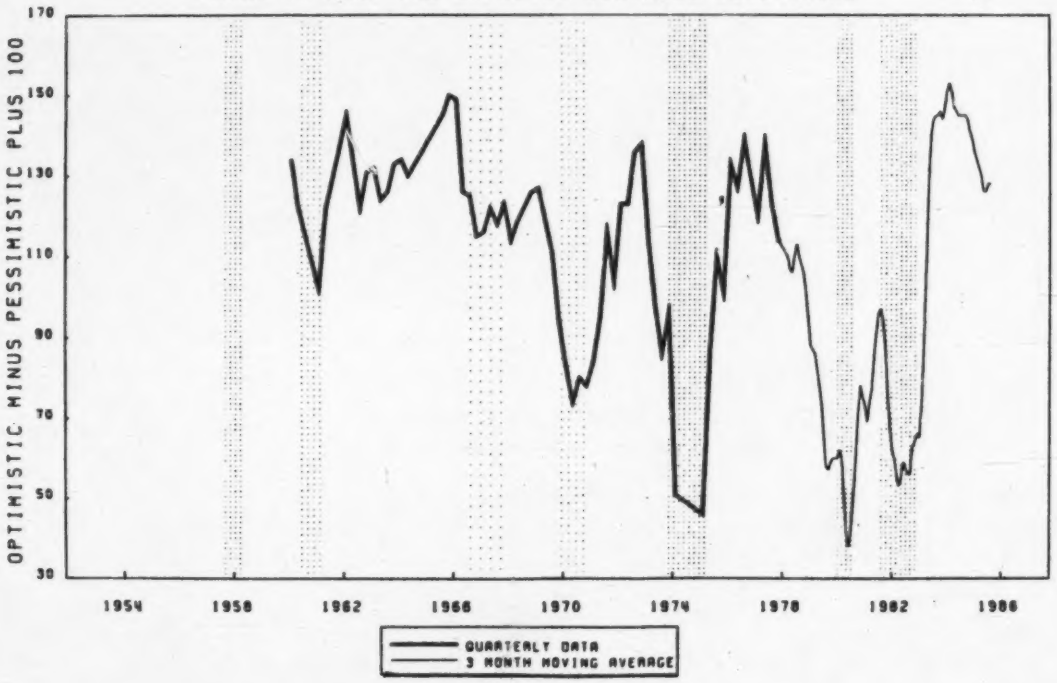


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
TREND:													
Continuous increase (a)	25%	27%	24%	28%	27%	21%	26%	22%	21%	18%	22%	19%	19%
Intermittent increase (b)	36	35	36	32	32	36	31	33	29	34	34	36	33
Remain unchanged (c)	6	6	5	6	7	8	7	9	11	8	9	9	10
Intermittent decline (d)	10	11	12	14	13	17	15	15	18	18	17	16	18
Continuous decline (e)	5	6	8	7	8	9	8	9	8	11	8	10	10
Mixed change (f)	12	10	10	9	9	7	9	8	8	8	6	6	7
DK,NA	6	5	5	4	4	2	4	4	5	3	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

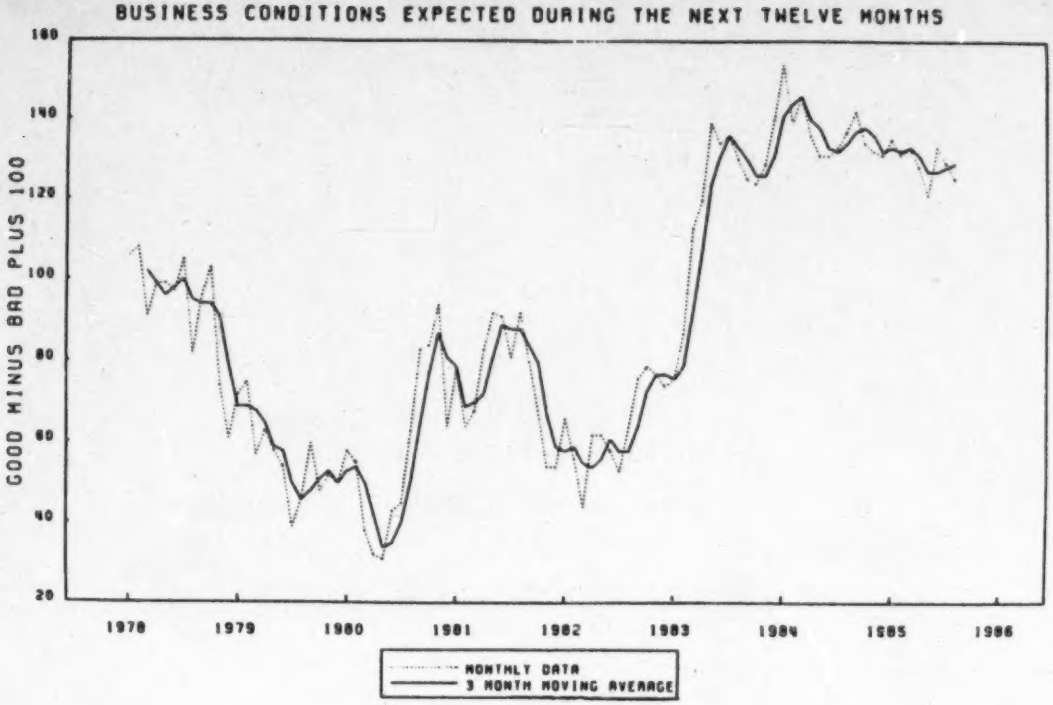


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

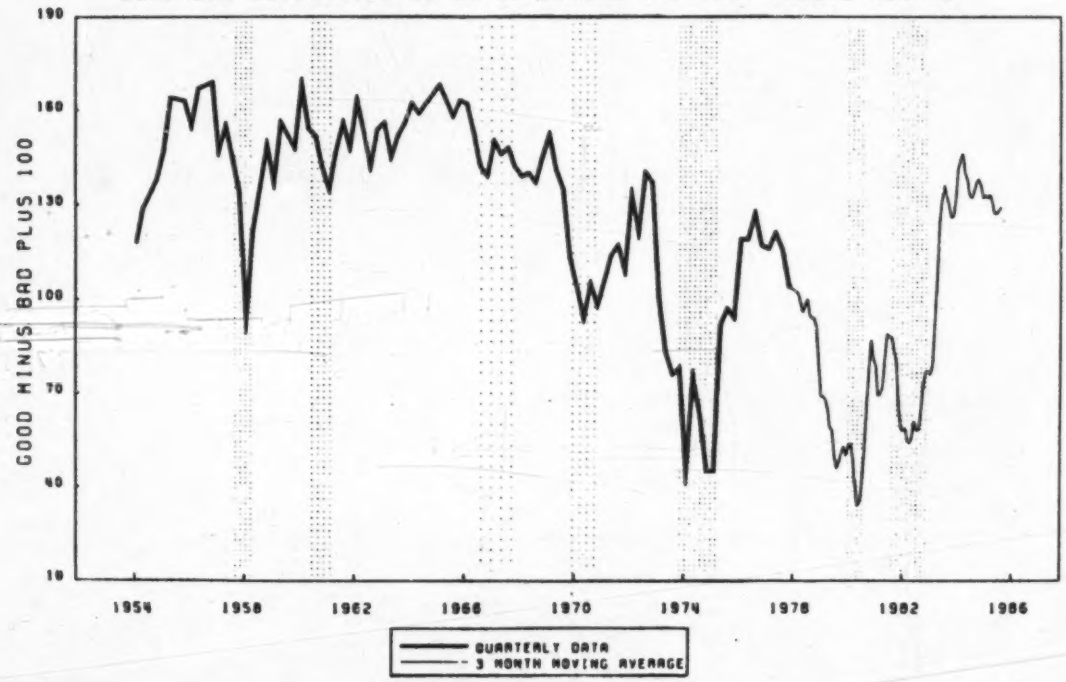


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIMES	62%	66%	60%	59%	59%	63%	62%	62%	58%	55%	59%	58%	57%
UNCERTAIN; GOOD & BAD	3	3	4	3	3	4	2	2	3	1	3	3	4
BAD TIMES	25	24	26	27	28	28	31	29	30	34	26	29	32
DON'T KNOW	7	6	6	7	7	4	3	5	6	6	5	7	4
NOT ASCERTAINED	3	1	4	4	3	1	2	2	3	4	7	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

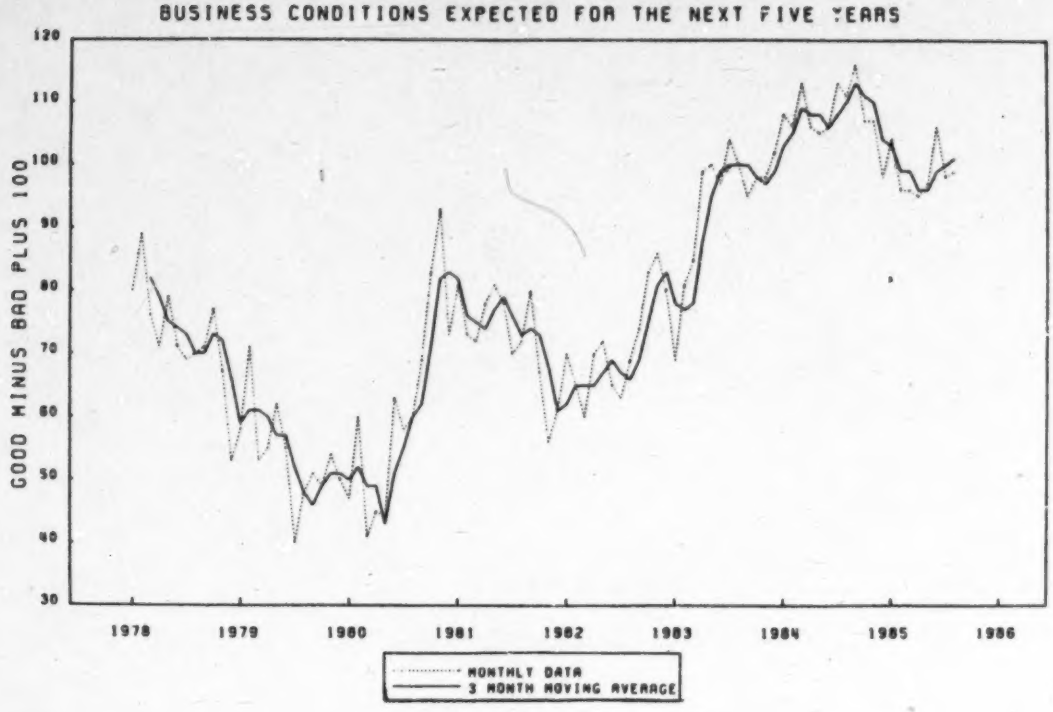


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

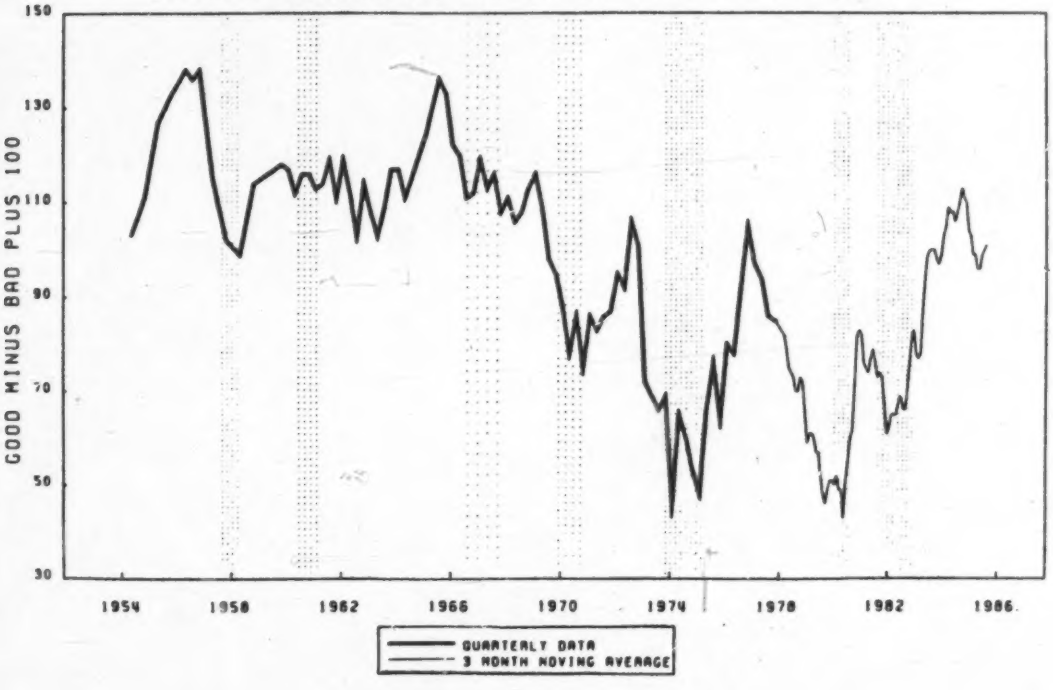


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIMES	47%	47%	43%	42%	39%	43%	41%	40%	39%	40%	43%	41%	41%
UNCERTAIN; GOOD & BAD	13	17	17	17	15	15	11	13	14	14	17	13	14
BAD TIMES	36	31	36	35	41	39	45	44	44	43	37	43	42
NOT ASCERTAINED	4	5	4	6	5	3	3	3	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

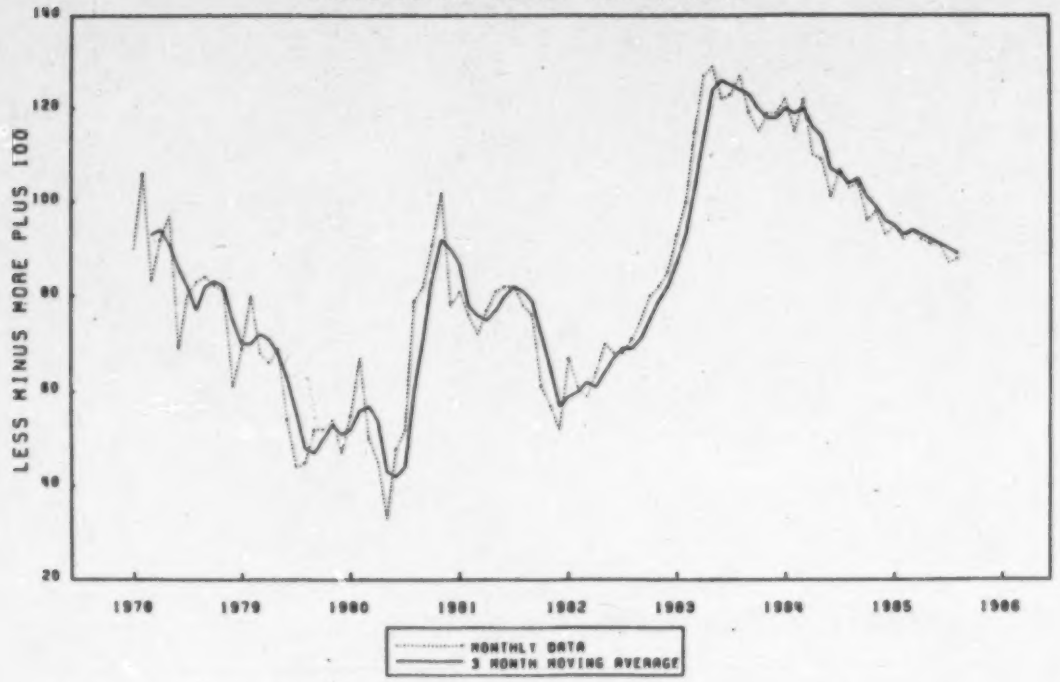


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

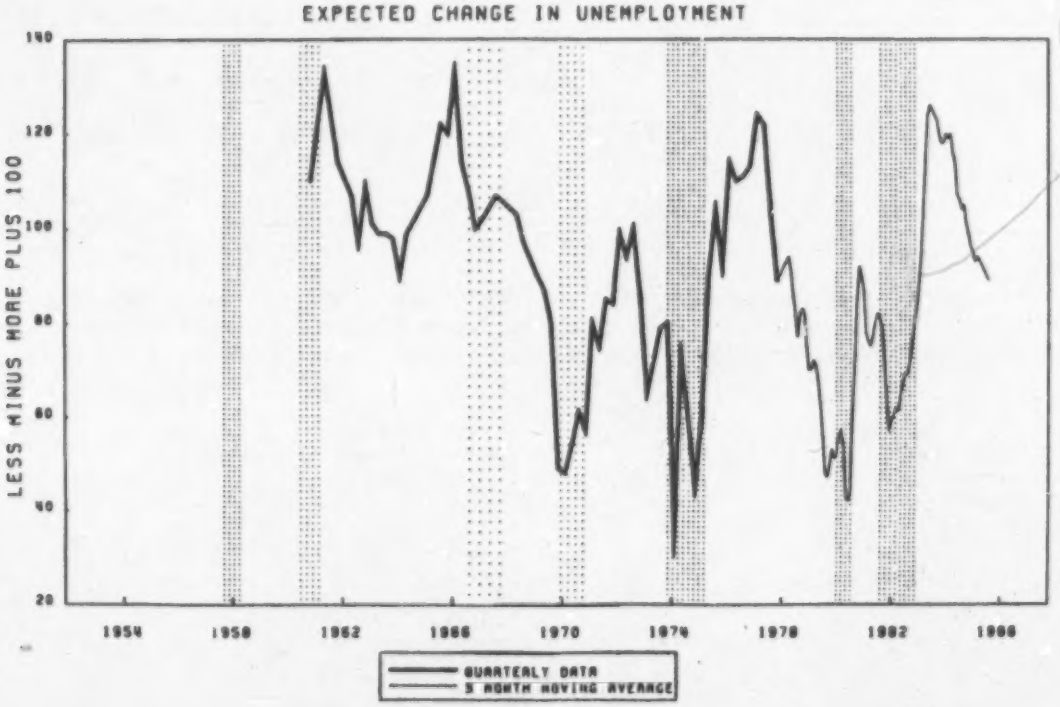


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
LESS	24%	26%	20%	22%	21%	20%	20%	23%	20%	19%	16%	14%	17%
SAME	54	50	54	52	50	54	50	47	50	52	58	58	52
MORE	21	22	24	24	28	25	28	29	28	28	25	27	29
DK,NA	1	2	2	2	1	1	2	1	2	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

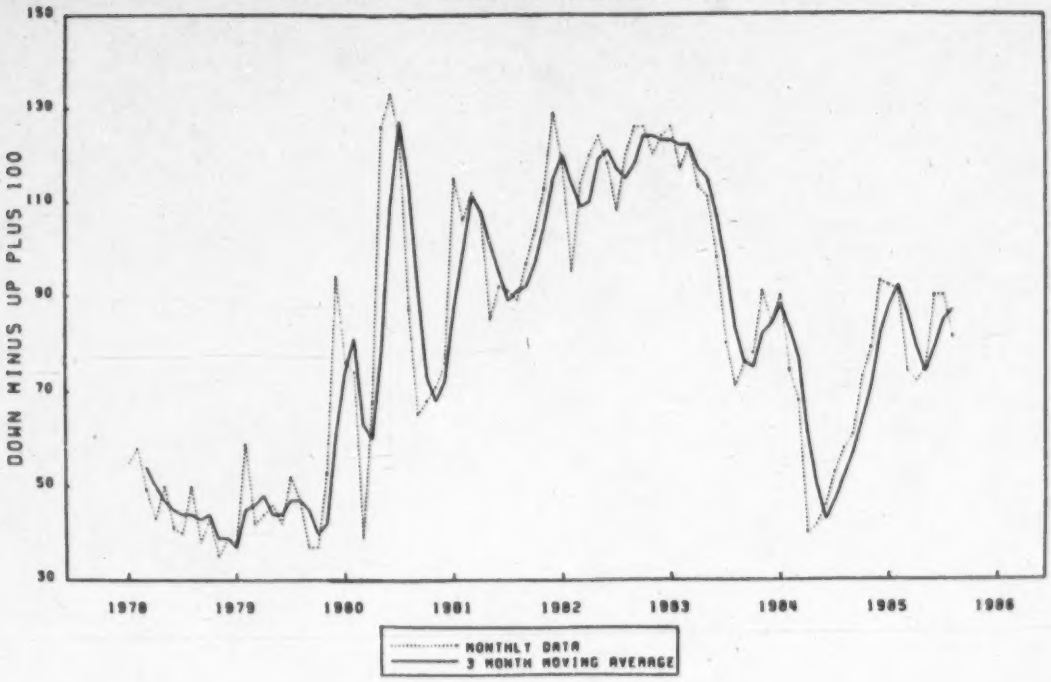


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

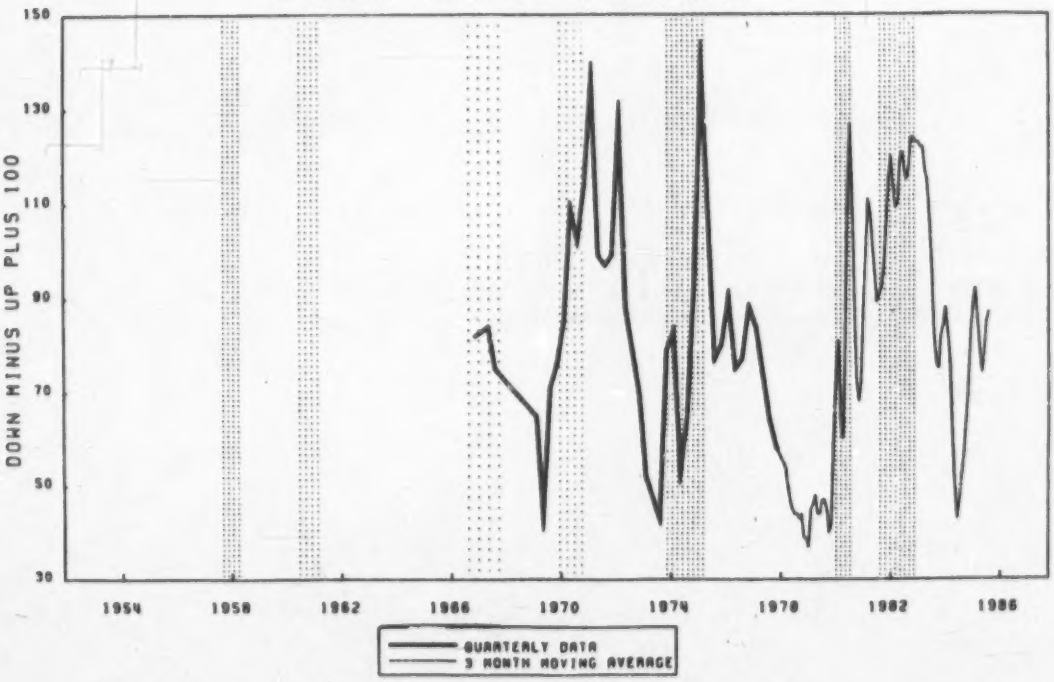


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GO UP	55%	52%	45%	44%	37%	36%	35%	45%	47%	44%	36%	35%	41%
STAY THE SAME	29	32	33	31	30	33	37	32	31	34	36	38	35
GO DOWN	13	13	18	23	30	28	26	19	19	19	26	25	22
DK,NA	3	3	4	2	3	3	2	4	3	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

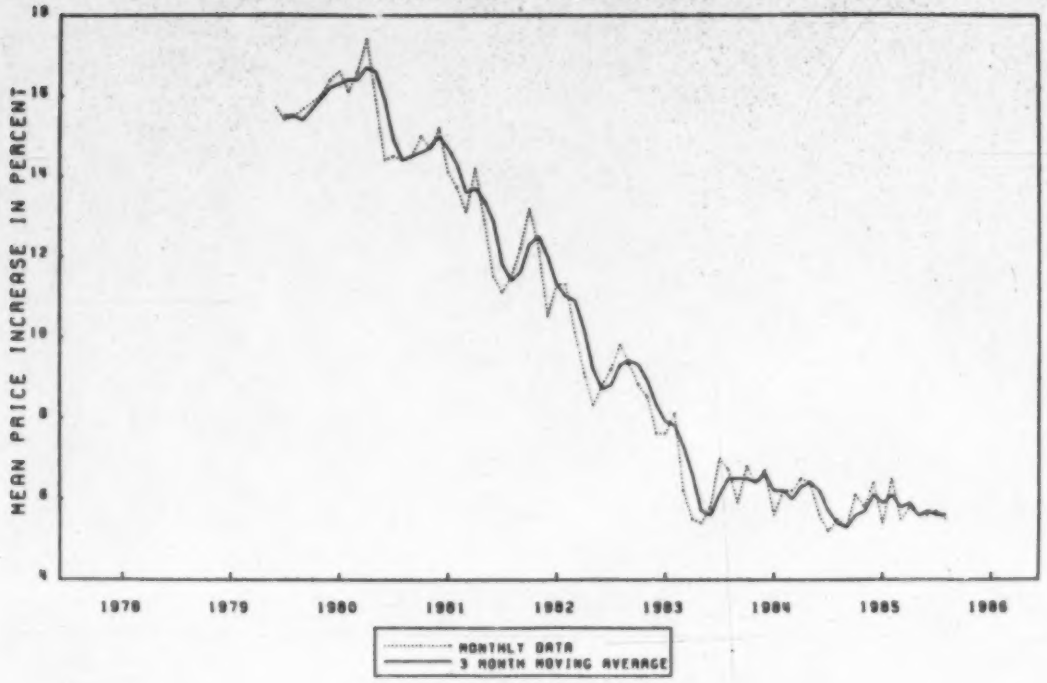


CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

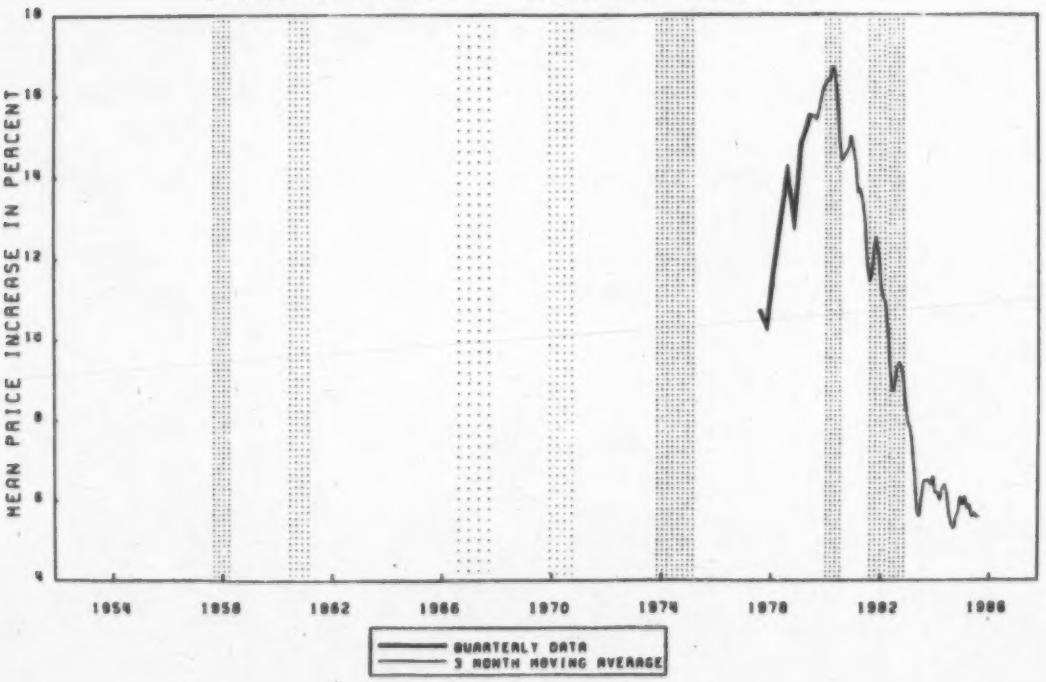


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
SAME OR DOWN	29%	29%	28%	27%	24%	25%	25%	28%	24%	23%	24%	25%	23%
GONE UP BY:													
1-2%	10	9	9	11	9	11	11	11	10	13	12	13	10
3-4%	12	16	15	15	14	17	16	18	17	18	18	16	19
5%	18	16	13	14	18	17	13	14	16	16	13	16	19
6-9%	8	7	7	5	6	7	8	5	8	7	9	6	5
10-14%	11	9	11	11	11	10	11	10	13	9	11	11	11
15% or more	7	8	11	10	10	8	11	9	8	9	9	7	8
DK how much up	5	6	5	6	7	5	4	5	4	4	3	5	4
DK,NA	*	*	1	1	1	*	1	*	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.5	5.3	6.1	5.8	6.4	5.4	6.5	5.5	5.8	5.6	5.6	5.7	5.5
VARIANCE	75	63	84	76	86	66	93	72	64	72	61	82	58
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

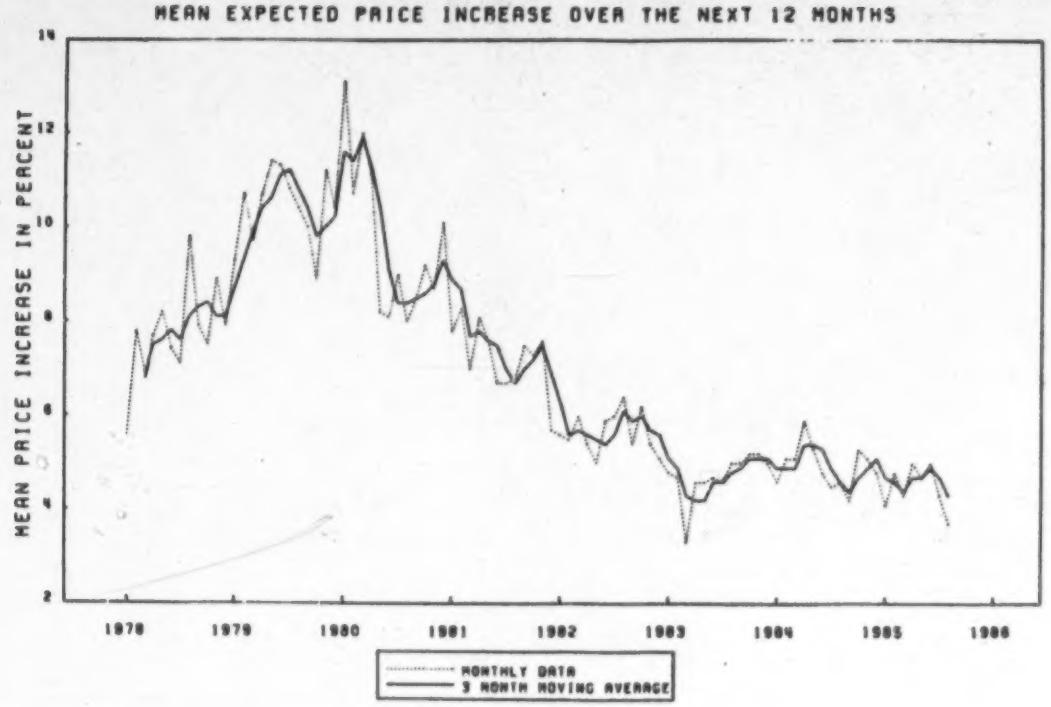


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

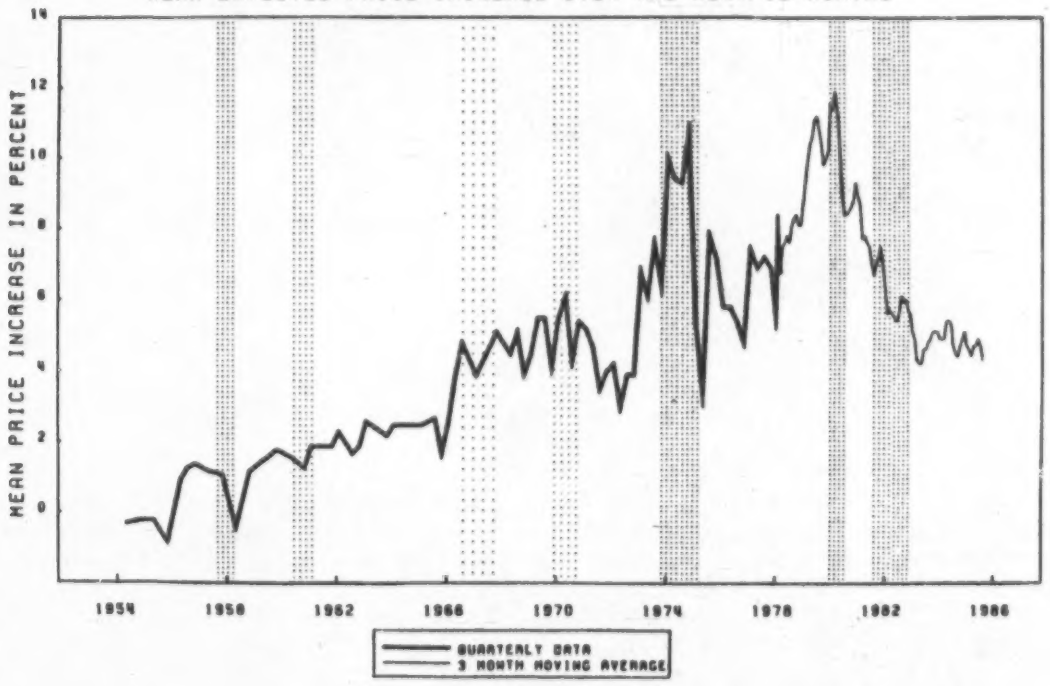


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
SAME OR DOWN	24%	24%	22%	23%	25%	26%	25%	26%	22%	20%	19%	24%	26%
WILL GO UP BY:													
1-2%	18	16	13	14	13	16	14	15	13	17	16	19	18
3-4%	15	19	15	17	17	20	19	19	20	20	21	20	21
5%	18	14	18	18	16	15	15	15	16	20	19	14	16
6-9%	6	8	9	6	9	6	6	6	8	6	6	8	6
10-14%	8	8	10	9	9	7	10	9	11	7	9	6	6
15% or more	5	4	7	7	5	4	6	6	6	6	6	4	4
DK how much up	5	4	4	4	4	4	4	4	3	2	2	4	2
DK,NA	1	3	2	2	2	2	1	*	1	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.6	4.2	5.3	5.1	4.8	4.1	4.8	4.3	5.0	4.7	5.0	4.3	3.7
VARIANCE	46	36	53	47	44	36	51	34	44	46	51	49	21
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

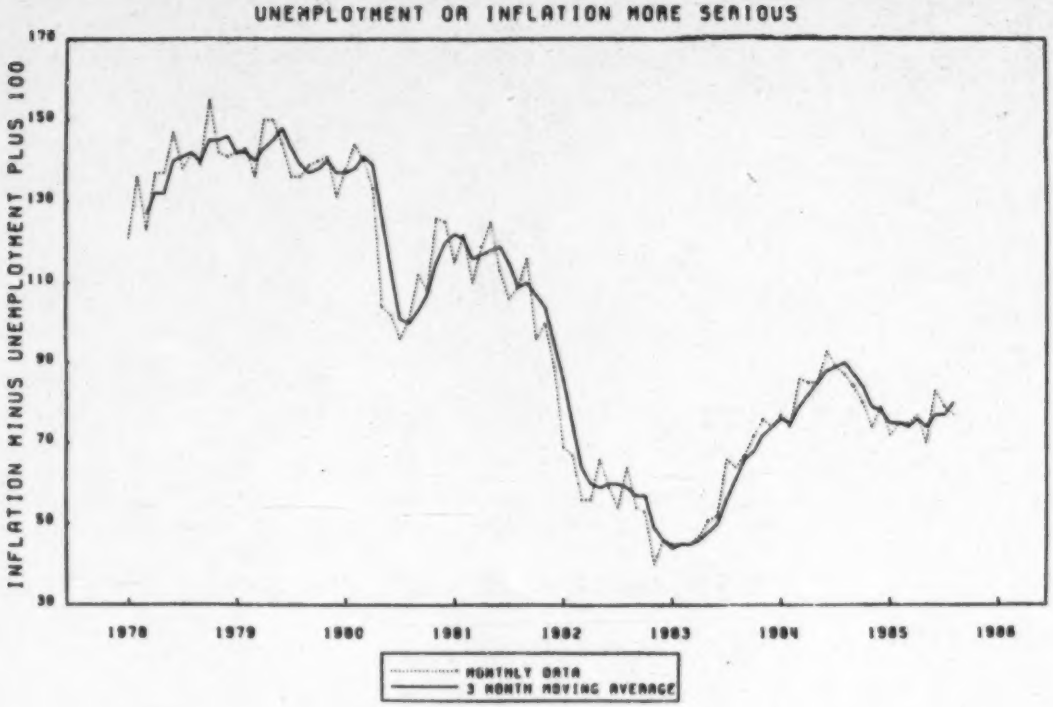


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

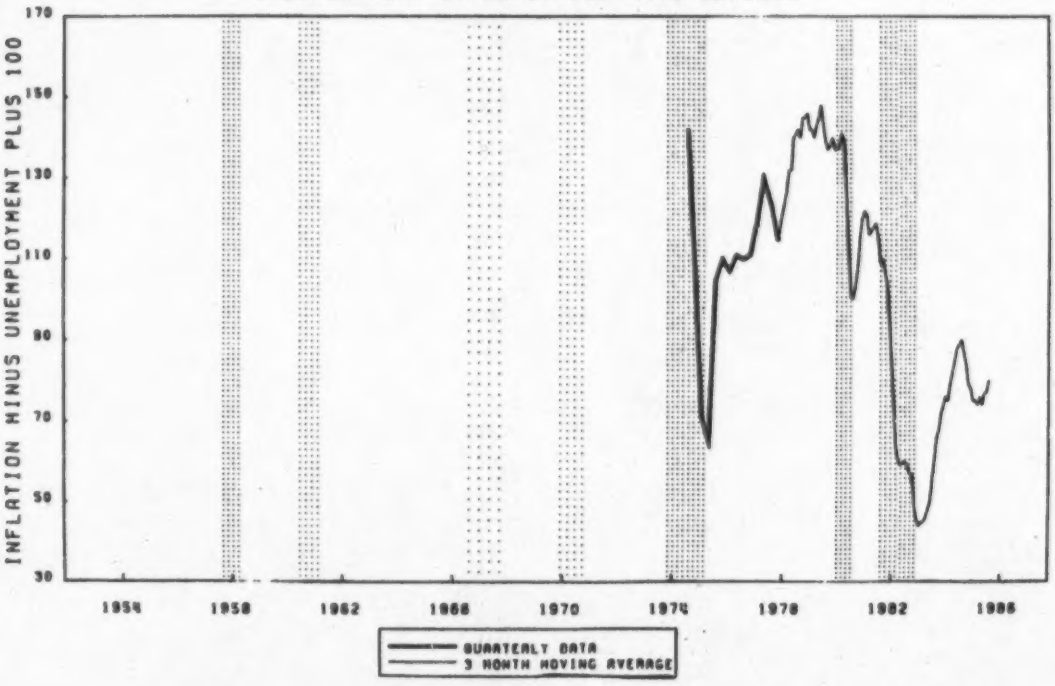


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
UNEMPLOYMENT	52%	54%	55%	59%	56%	60%	58%	59%	57%	61%	55%	57%	57%
BOTH EQUALLY SERIOUS	6	5	8	7	6	6	5	5	6	6	4	5	5
INFLATION	39	38	35	33	35	32	33	34	34	31	38	36	34
DK,NA	3	3	2	1	3	2	4	2	3	2	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

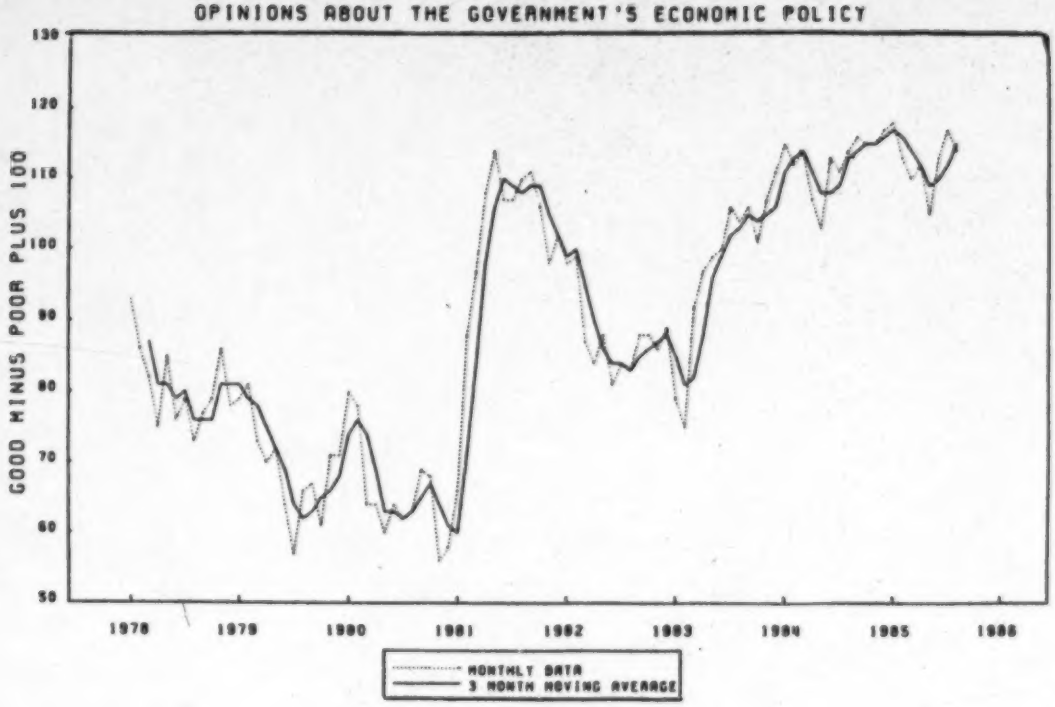


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

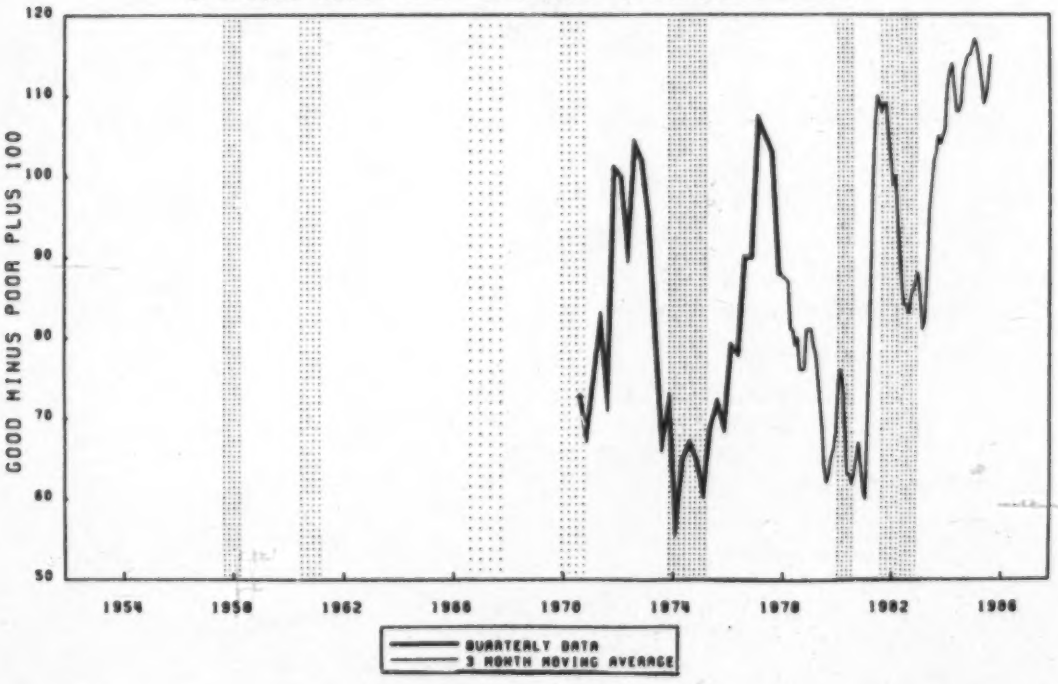


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
A GOOD JOB	33%	35%	36%	32%	33%	34%	33%	32%	30%	26%	29%	31%	29%
ONLY FAIR	46	44	41	50	49	49	46	43	50	51	53	52	53
A POOR JOB	19	19	21	17	16	16	20	22	18	21	16	14	15
DK,NA	2	2	2	1	2	1	1	3	2	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

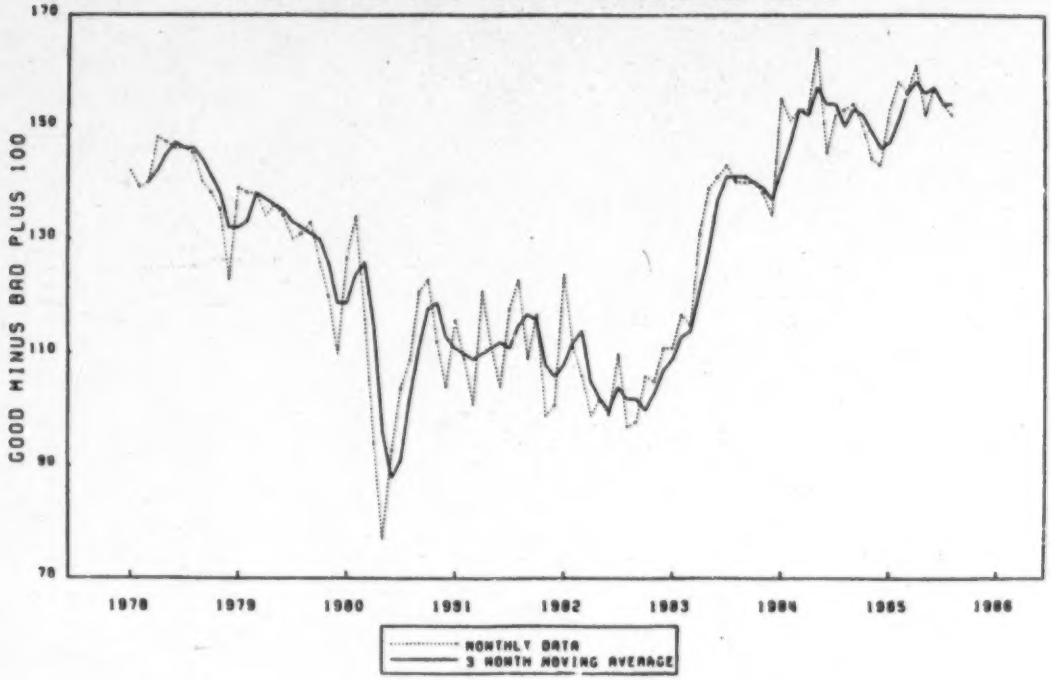


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

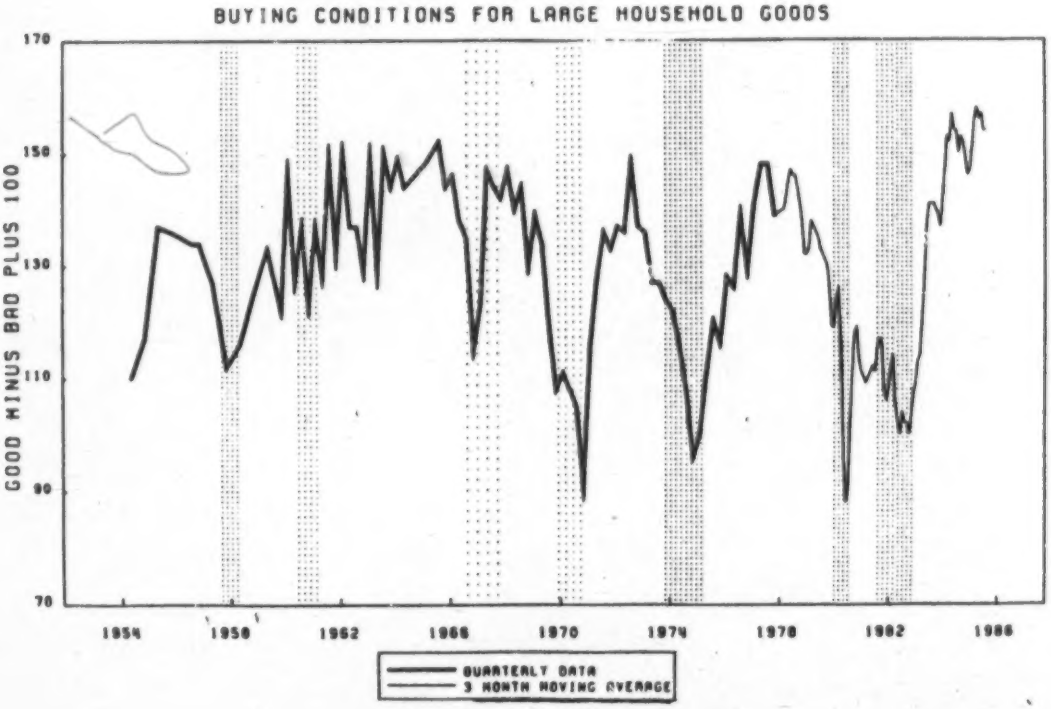


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIME TO BUY	72%	72%	70%	67%	67%	73%	75%	74%	77%	72%	74%	74%	69%
UNCERTAIN, DEPENDS	9	10	10	10	9	7	8	8	7	8	9	6	14
BAD TIME TO BUY	19	18	20	23	24	20	17	18	16	20	17	20	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

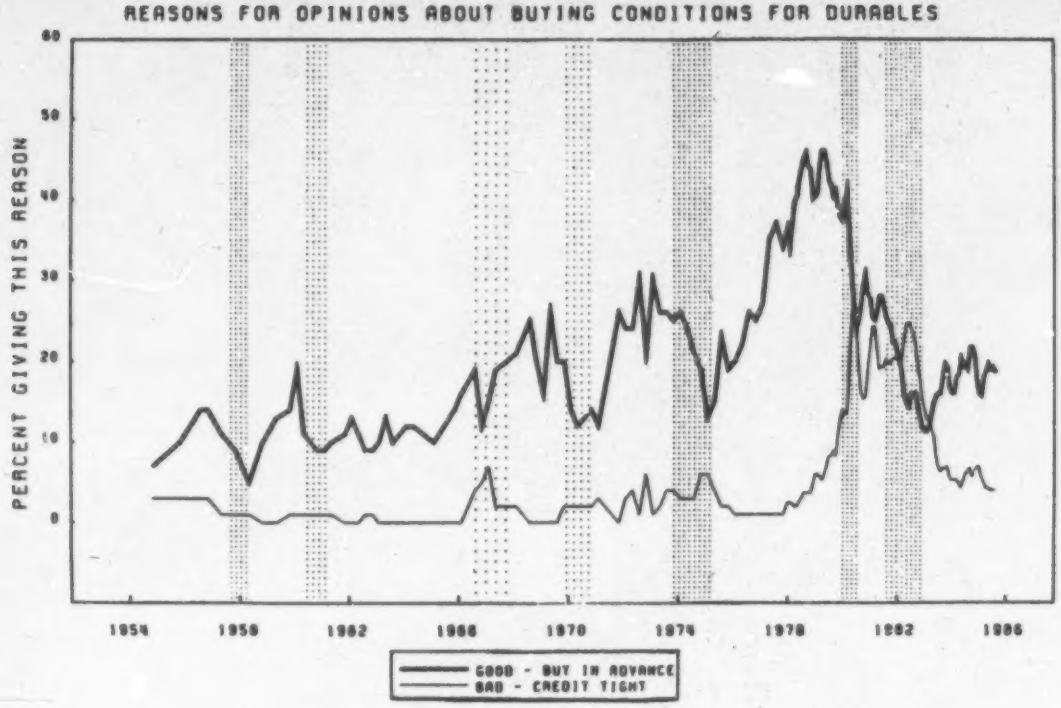


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

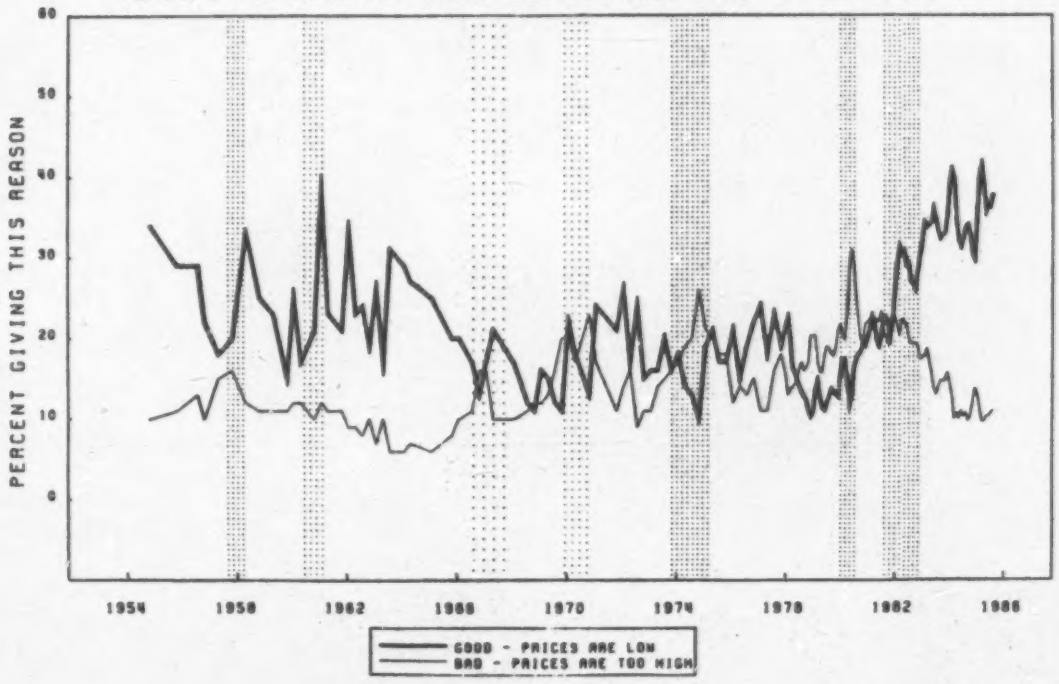


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	34%	29%	28%	32%	45%	43%	36%	37%	34%	39%	36%	38%
Prices won't come down; are going higher	20	24	21	17	15	16	16	22	18	19	20	19	17
Interest rates low; credit is easy	8	8	11	11	10	11	11	10	13	11	13	14	15
BAD TIME TO BUY:													
Prices are high	9	10	12	14	15	10	9	10	10	11	10	11	12
Interest rates are high; credit is tight	6	6	5	8	7	6	4	5	4	4	4	4	4
Lack of purchasing power	7	7	7	7	7	10	6	7	6	9	7	6	5

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

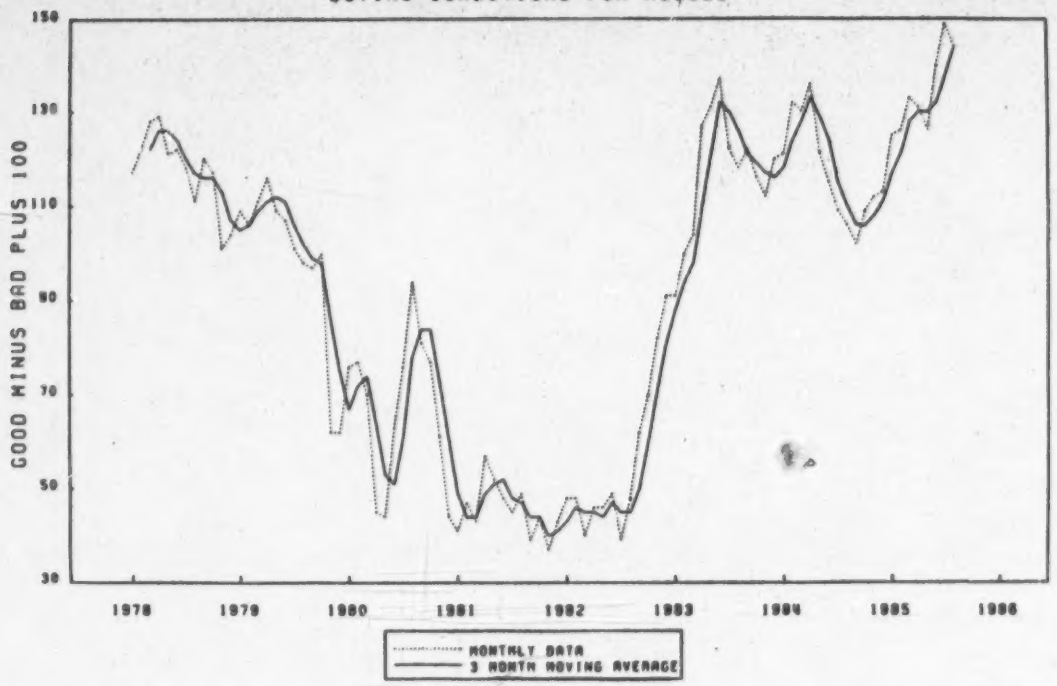


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

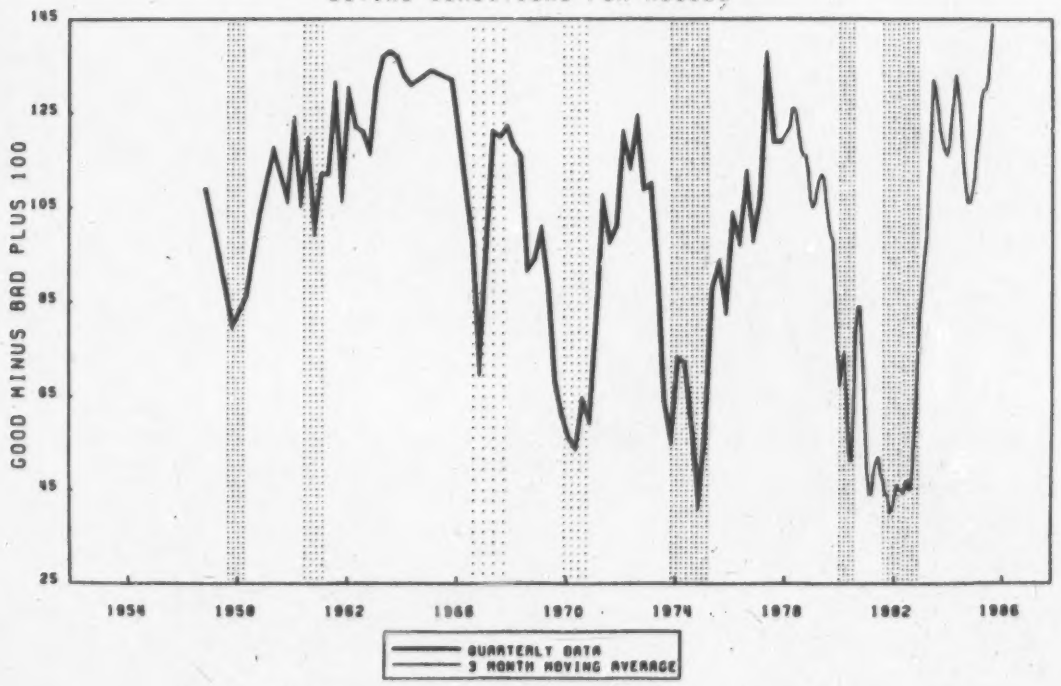


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIME TO BUY	50%	48%	52%	54%	54%	61%	61%	64%	64%	61%	67%	73%	69%
UNCERTAIN, DEPENDS	6	6	5	4	5	3	4	5	3	4	6	3	6
BAD TIME TO BUY	44	46	43	42	41	36	35	31	33	35	27	24	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

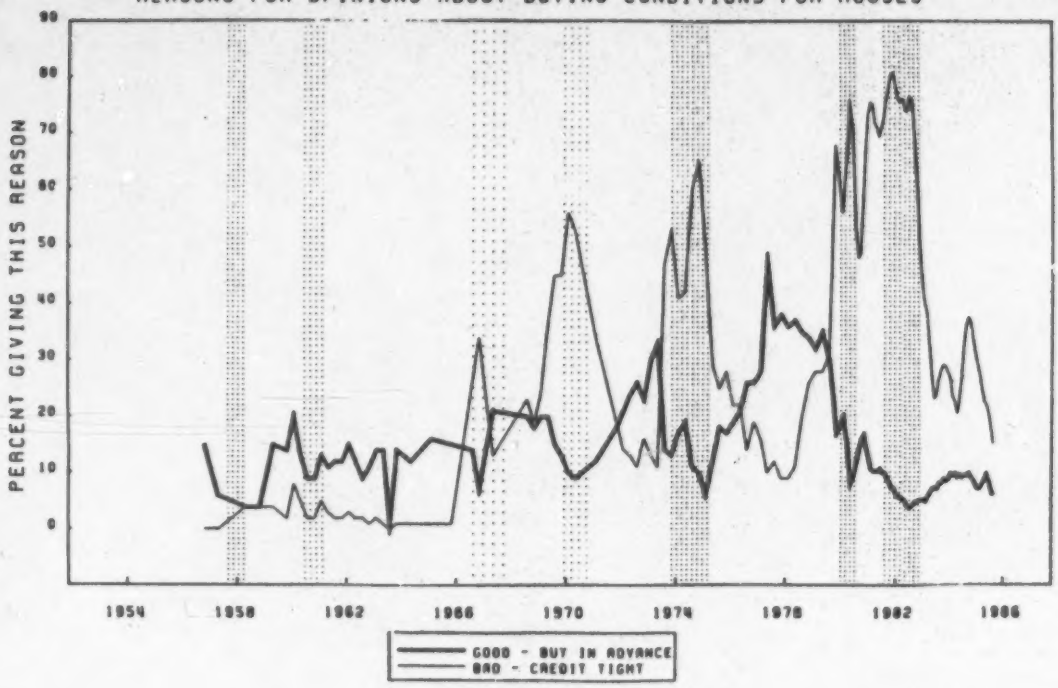


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

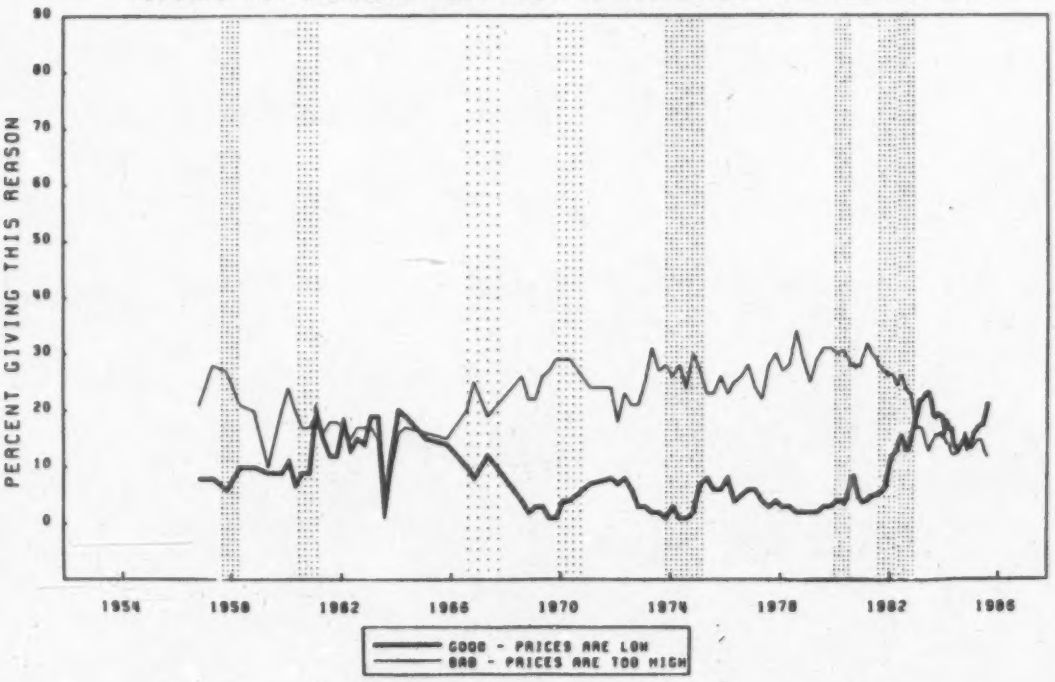


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	14%	15%	11%	17%	15%	16%	18%	17%	17%	18%	22%	23%
Prices won't come down; are going higher	9	10	9	7	8	7	7	10	9	10	7	5	7
Interest rates low; credit is easy	35	34	35	44	38	49	50	48	47	43	56	57	58
Good investment	4	7	5	7	5	6	6	7	6	6	6	5	7
BAD TIME TO BUY:													
Prices are high	16	16	16	12	13	14	14	15	15	14	12	11	12
Interest rates are high; credit is tight	40	37	33	31	30	27	25	22	21	23	17	13	16
Lack of purchasing power	11	11	10	13	13	12	11	9	12	16	9	11	9

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

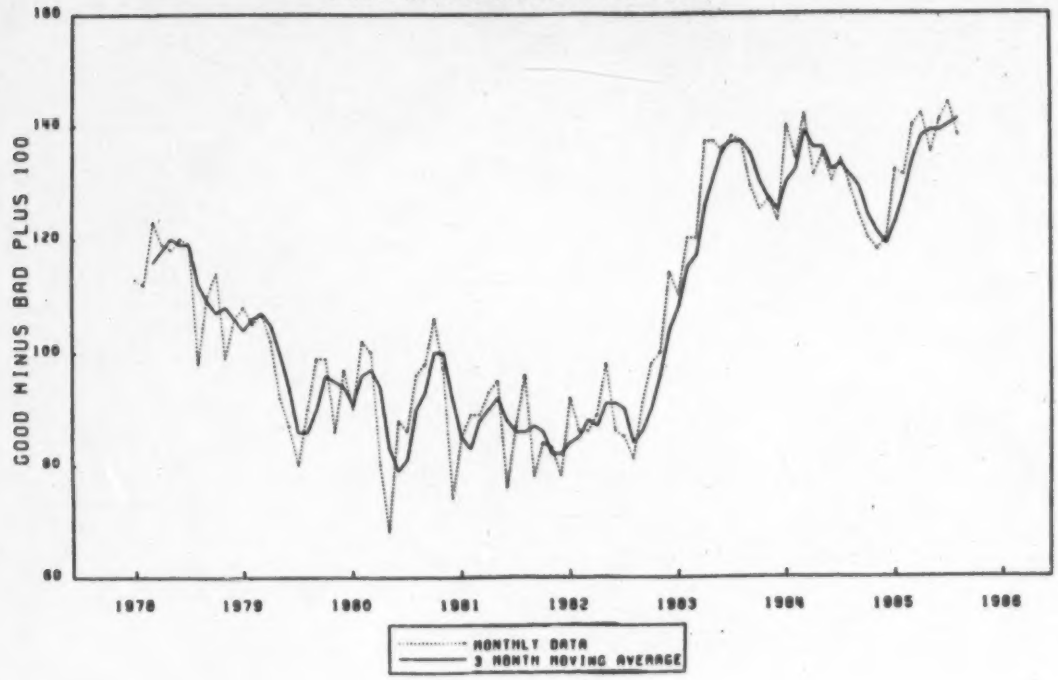


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

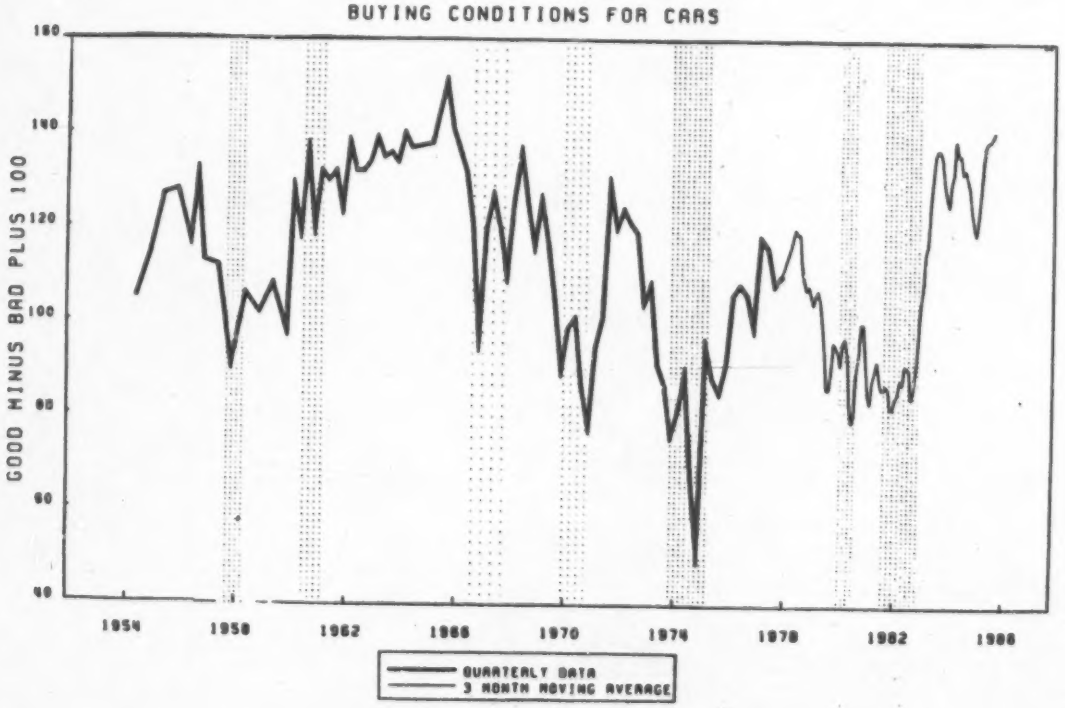


TABLE 30

BUYING CONDITIONS FOR CARS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIME TO BUY	59%	59%	54%	55%	55%	62%	61%	67%	68%	65%	67%	67%	64%
UNCERTAIN; DEPENDS	11	6	12	8	10	8	9	6	6	5	7	10	10
BAD TIME TO BUY	30	35	34	37	35	30	30	27	26	30	26	23	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

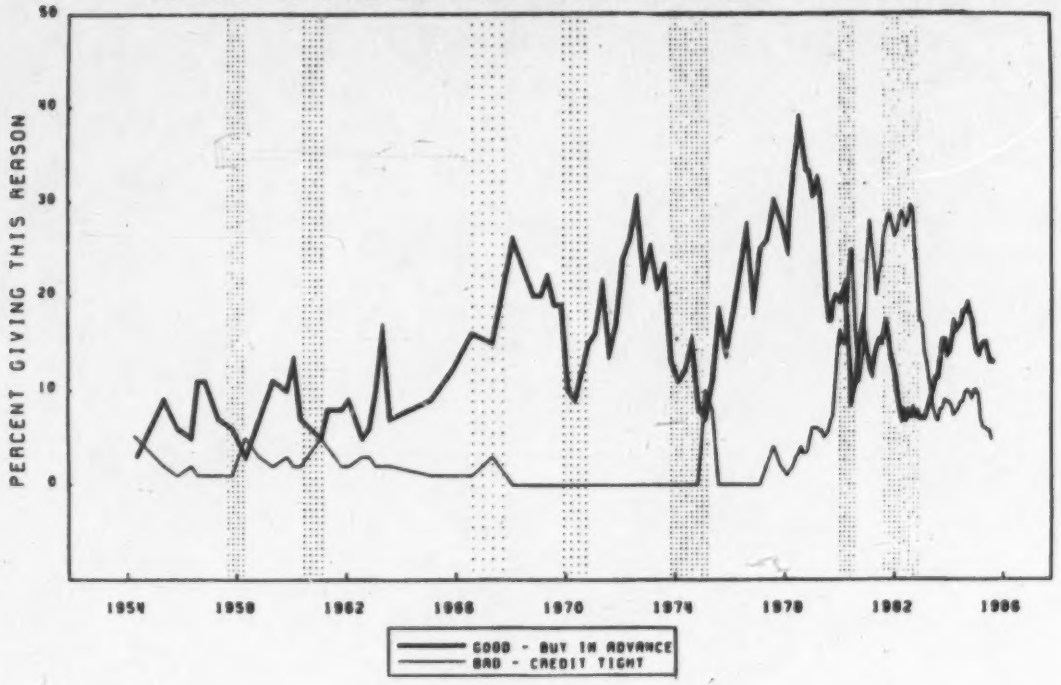


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

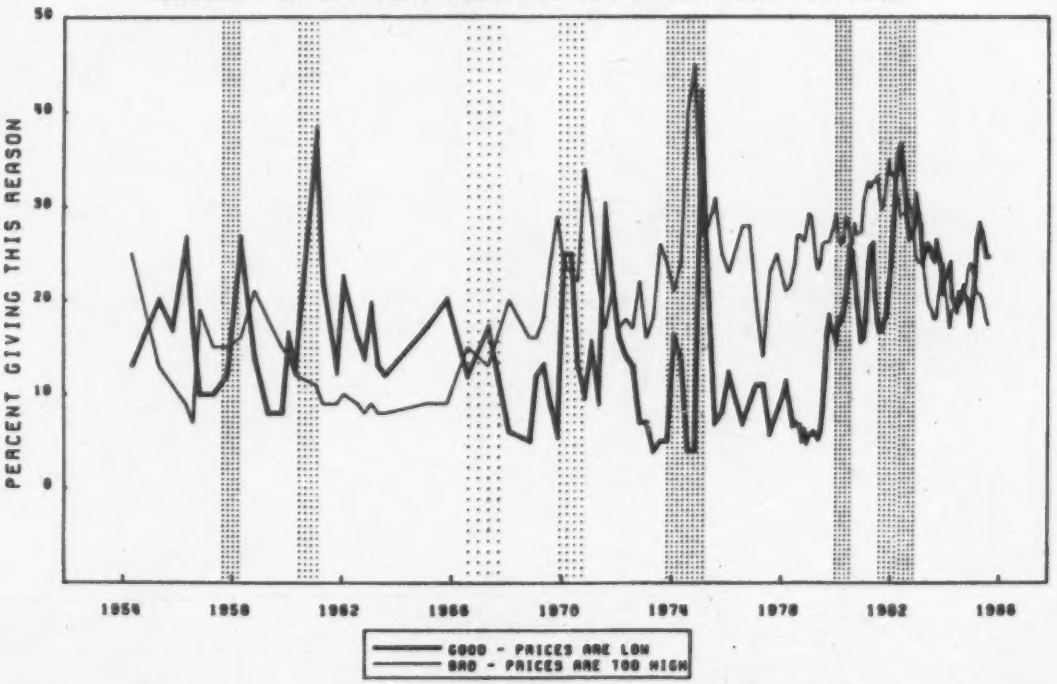


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	24%	18%	18%	18%	24%	26%	30%	28%	24%	26%	24%	24%
Prices won't come down; are going higher	17	20	17	15	14	13	14	17	14	14	13	12	14
Interest rates low; credit is easy	17	15	14	18	15	23	24	23	25	28	35	35	36
New fuel efficient models	2	1	2	*	2	*	1	1	1	1	1	1	1
BAD TIME TO BUY:													
Prices are high	19	22	23	25	24	21	21	20	21	20	17	17	18
Interest rates are high; credit is tight	12	9	8	10	12	8	8	5	5	8	4	5	5
Lack of purchasing power	5	6	6	8	7	7	6	6	4	6	6	6	4
Price of gas; shortages	1	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	4	3	3	5	4	4	4	3	4	3	4	3	4

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

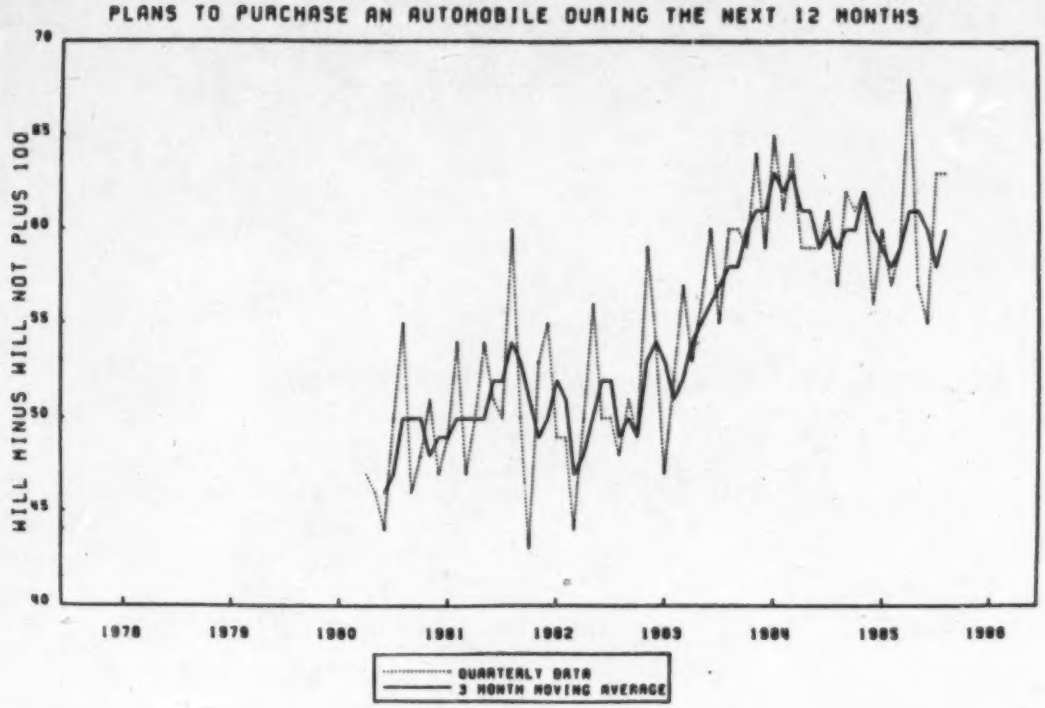


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

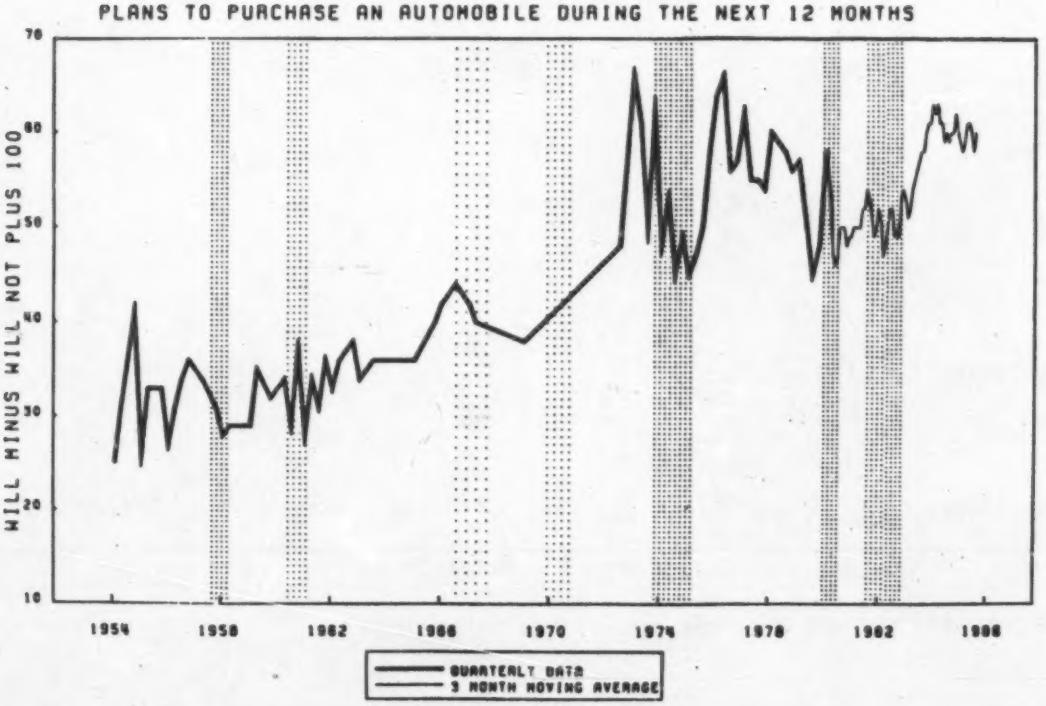


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
PROBABLY WILL BUY	21%	22%	21%	21%	19%	20%	19%	20%	24%	18%	19%	22%	21%
CHANCES ARE EVEN	7	8	8	9	9	9	9	8	7	9	7	7	7
PROBABLY WILL NOT BUY	64	60	60	59	63	60	62	61	56	61	64	59	58
DK,NA	8	10	11	11	9	11	10	11	13	12	10	12	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	693	690	706	710	704	640	655	653	675	661	652	641	650

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	28%	30%	29%	30%	28%	29%	28%	28%	31%	27%	26%	29%	28%
PURCHASE TYPE:													
Buy new	15	14	15	15	13	17	15	14	17	14	14	14	14
Buy used	11	13	12	13	13	11	11	13	12	12	10	14	13
Lease	1	2	2	1	1	1	1	1	1	1	2	1	*
DK,NA	1	1	*	1	1	*	1	*	1	*	*	*	1
PURCHASE TIMING:													
Next 3 months	3	1	6	5	3	5	4	2	8	5	1	9	3
Next 4-6 months	5	8	6	7	6	8	9	8	9	7	8	5	6
Next 7-9 months	4	5	7	7	10	7	8	11	6	7	6	5	5
10 months or more	8	10	4	8	7	5	4	5	3	5	6	6	8
DK,NA	8	6	6	3	2	4	3	2	5	3	5	4	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985	July 1985	Aug. 1985
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	64%	60%	60%	59%	63%	60%	62%	61%	56%	61%	64%	59%	58%
PURCHASE TYPE:													
Would buy new	33	34	31	33	34	35	32	35	34	36	37	35	31
Would buy used	29	25	27	25	28	25	28	25	21	25	26	24	26
DK,NA	2	1	2	1	1	*	2	1	1	*	1	*	1
PURCHASE TIMING:													
Less than 2 years	8	5	7	7	7	8	9	6	5	7	8	5	4
2 years	25	21	21	20	23	18	19	21	21	21	24	20	21
3 years	8	11	10	9	10	9	10	10	11	13	10	10	10
4 years or more	15	17	16	17	15	19	17	19	14	16	16	22	19
Indefinite	3	2	1	2	3	2	2	2	1	1	2	1	2
DK,NA	5	4	5	4	5	4	5	3	4	3	4	1	2

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

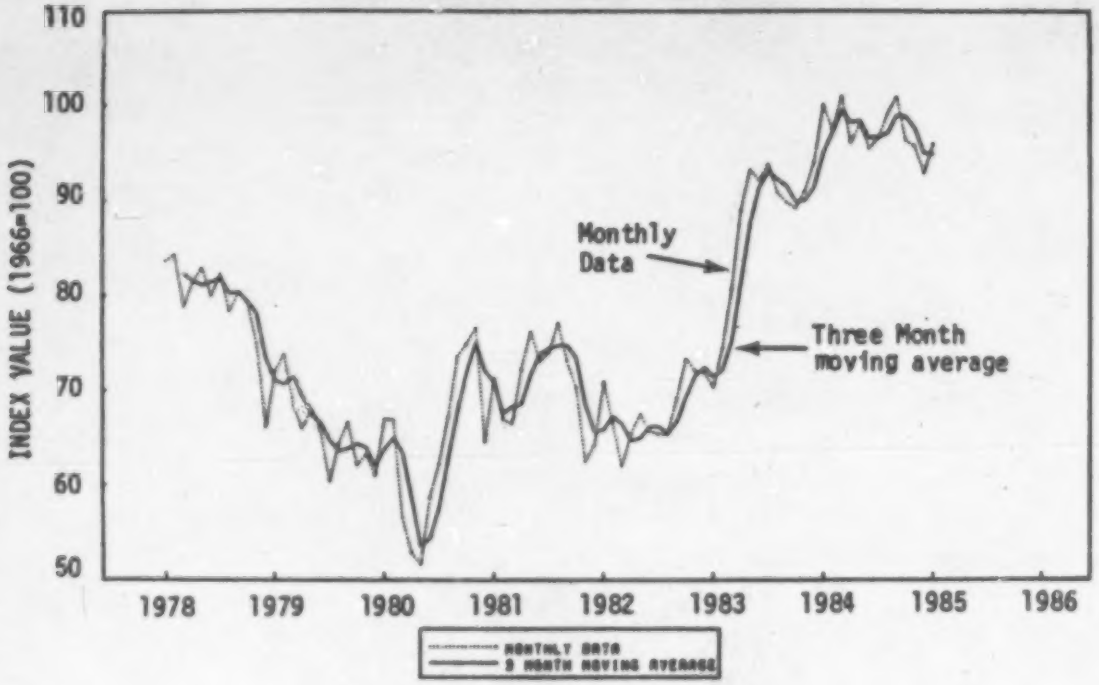
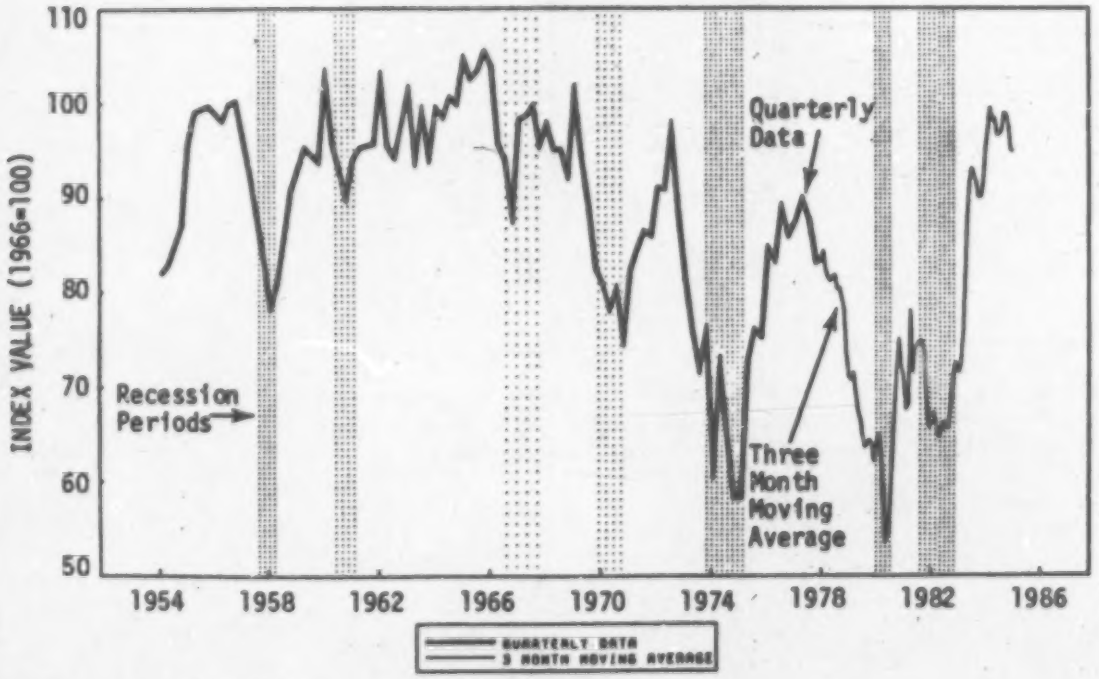


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).